

Tables and charts

Based on statistical information available on August 31, 2004 except for table 2 (September 10) and tables 6 and 9 (September 13).

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Table 1 Main monthly indicators (continued on next page)

	Consumer prices		Exchange rate		Interest rates (end of period, %)							Money and credit ⁵			
	% change in CPI over the previous ¹		% ch. in effective exchange rate ^{1,2}		Short-term rates			Long-term rates				12-month % change			
	1 month	12 months	1 month	12 months	Central Bank repo yield	3-month REIBOR ³	3-month Treasury bills	5-y. non-indexed T-notes	10-year Treasury bonds ⁴	25-year housing bonds ⁴	Base money	M3 lending ⁶	DMB liabilities	Foreign liabilities	
1998															
1999															
2000															
2001															
2002															
2003															
2003															
January	0.4	1.4	2.2	13.3	5.8	6.3	5.8	7.0	4.7	5.0	17.7	12.9	-1.0	9.4	9.4
February	-0.2	1.5	1.8	13.2	5.3	5.5	5.3	7.3	4.8	5.0	28.0	12.3	0.7	12.5	12.5
March	1.1	2.2	-0.2	12.6	5.3	5.4	5.0	6.9	4.8	5.0	-8.5	12.8	2.5	8.9	8.9
April	0.1	2.3	1.2	11.3	5.3	5.3	4.5	7.0	4.6	4.9	2.1	15.6	5.0	12.2	12.2
May	-0.2	2.2	1.2	8.9	5.3	5.3	4.8	6.6	4.4	4.8	-10.1	18.9	9.2	17.5	17.5
June	0.1	1.8	-1.9	6.5	5.3	5.3	5.1	6.8	4.3	4.6	-13.8	19.3	10.1	28.4	28.4
July	-0.1	1.6	-2.2	2.7	5.3	5.3	5.1	6.8	4.2	4.6	-2.5	14.8	11.5	12.0	12.0
August	-0.1	2.0	-1.9	0.3	5.3	5.2	4.9	6.5	4.0	4.4	5.6	19.6	13.1	28.2	28.2
September	0.7	2.2	-0.0	2.3	5.3	5.2	4.5	6.3	4.3	4.6	-5.4	23.0	12.4	17.3	17.3
October	0.5	2.2	0.6	3.2	5.3	5.1	4.6	6.9	4.2	4.6	-1.2	25.5	13.8	-18.9	-18.9
November	0.1	2.5	0.5	3.1	5.3	5.1	4.8	7.1	4.3	4.6	-17.2	23.7	13.7	-11.7	-11.7
December	0.3	2.7	0.5	1.7	5.3	5.1	4.8	7.5	4.3	4.6	-33.5	23.5	16.5	-5.7	-5.7
2004															
January	0.0	2.4	3.3	2.7	5.3	5.3	5.1	7.3	4.4	4.7	-12.5	26.4	20.8	-23.2	-23.2
February	-0.3	2.3	1.1	2.0	5.3	5.3	5.4	7.0	4.1	4.6	-30.0	22.5	21.4	-31.3	-31.3
March	0.6	1.8	-1.7	0.5	5.3	5.4	5.0	6.8	3.9	4.4	-28.7	24.5	23.9	-29.9	-29.9
April	0.6	2.2	-1.5	-2.2	5.3	5.4	5.3	6.8	3.7	4.1	-7.7	21.1	23.5	-13.2	-13.2
May	0.8	3.2	-0.3	-3.7	5.5	5.8	5.6	7.6	4.0	4.3	-32.4	18.4	19.8	-23.7	-23.7
June	0.8	3.9	0.7	-1.1	5.8	6.1	6.0	7.6	3.9	4.2	-11.7	19.0	20.1	-21.5	-21.5
July	-0.5	3.6	0.3	1.4	6.3	6.5	6.0	7.7	3.9	4.7	23.8	24.7	20.5	-37.6	-37.6
August	-	3.7	0.5	3.9	6.3	6.6	6.5	7.7	3.7	4.7	...	...	...	...	...

1. Percentage changes between period averages. 2. Based on the official effective exchange rate basket (trade-weighted). Positive sign indicates appreciation of the Icelandic króna.
3. Average yield on the interbank market in Icelandic króna. 4. Yield in excess of changes in the CPI. 5. Annual figures are changes over year. Latest figures are preliminary. 6. DMBs = deposit money banks = commercial and savings banks and other institutions permitted to accept deposits from the public. Foreign lending excluded from January 2002.

Table 1 (continued) Main monthly indicators

	Foreign exchange market and reserves			Foreign trade and external conditions				Labour market		Treasury fn.		Asset prices		
	Gross foreign currency reserves:		CB	Trade balance	Mer-chandise exports	Mer-chandise imports	Marine product prices,	Real exchange rate of	Un-employment	Wages, 12-mo. % change	Fin. balance, % of rev., cum. from beg. of year ¹¹	Equity prices ¹²	Housing prices ¹³	
	in b.kr.	Merch. imports ⁷	as ratio of: For. short-term liabil. ⁸	(b.kr.)	(b.kr.)	(b.kr.)	12-mo. % ch. ⁹	króna ¹⁰	ment			prices ¹²	prices ¹³	
1998.....	29.6	2.2	0.8	17.0	-25.5	136.6	162.1	11.8	91.9	2.8	9.4	4.6	9.8	7.8
1999.....	35.8	2.6	0.9	12.0	-22.9	144.9	167.8	-4.8	93.6	1.9	6.8	8.7	47.4	22.2
2000.....	34.2	2.1	0.6	-13.9	-38.0	149.3	187.3	-3.0	96.2	1.3	6.6	5.9	-19.3	13.3
2001.....	36.8	2.1	0.4	-29.5	-6.7	196.4	203.1	1.6	83.6	1.4	8.8	-0.2	-11.2	3.1
2002.....	37.4	2.5	0.2	4.5	13.1	204.3	191.2	3.3	88.4	2.5	7.2	-5.6	16.7	7.5
2003.....	58.3	3.6	0.3	43.2	-16.9	182.6	199.5	0.4	93.8	3.4	5.6	-3.4	56.4	9.1
2003														
January.....	37.1	2.6	0.3	5.5	4.9	16.4	11.4	2.9	93.4	3.8	5.5	-1.5	8.4	9.0
February.....	36.6	2.5	0.2	2.2	2.0	16.1	14.1	3.0	95.0	4.1	5.6	4.3	8.1	8.9
March.....	36.3	2.5	0.2	2.5	-0.5	16.7	17.3	1.8	94.9	4.0	5.7	9.3	8.3	10.8
April.....	38.7	2.7	0.2	2.1	-2.4	14.1	16.5	4.2	95.9	3.9	5.6	8.3	7.5	11.6
May.....	37.1	2.6	0.2	2.8	-1.7	15.1	16.8	0.5	97.1	3.6	5.6	2.2	14.1	11.4
June.....	37.1	2.4	0.2	3.5	-3.2	14.3	17.5	-1.6	95.2	3.2	5.6	2.2	14.6	14.8
July.....	37.1	2.4	0.2	4.4	-5.0	15.0	20.0	-4.7	93.2	3.0	5.7	-2.3	19.4	13.9
August.....	41.3	2.5	0.2	4.0	-0.9	14.9	15.8	-1.2	91.5	2.9	5.7	-3.7	38.0	14.9
September..	46.6	2.9	0.2	4.4	-4.7	14.6	19.2	-	91.6	2.7	5.6	-4.6	39.5	12.6
October.....	52.0	3.1	0.3	4.4	-2.8	15.8	18.6	0.3	92.5	2.8	5.5	-3.4	48.7	12.4
November...	58.0	3.5	0.3	3.8	-0.3	16.0	16.2	1.1	93.1	3.0	5.5	-4.7	52.7	12.7
December...	58.3	3.6	0.3	3.7	-2.5	13.7	16.2	-1.4	93.6	3.1	5.4	-3.4	56.4	9.1
2004														
January.....	56.6	3.4	0.3	7.0	0.2	16.6	16.4	-2.9	96.3	3.7	3.3	-1.2	76.8	8.3
February.....	57.4	3.5	0.3	1.4	0.0	14.1	14.1	-2.3	97.2	3.6	3.3	8.1	89.3	9.2
March.....	66.9	3.8	0.3	1.8	-0.2	20.1	20.3	-2.7	96.1	3.5	3.8	-0.5	79.8	9.7
April.....	65.8	3.7	0.3	1.5	-3.3	16.8	20.0	-5.2	95.6	3.5	4.0	1.0	91.1	13.4
May.....	66.0	3.8	0.3	1.5	-3.7	14.9	18.6	-3.0	95.5	3.3	4.6	-2.2	82.7	11.4
June.....	68.7	3.8	0.3	1.8	-6.8	16.3	23.2	-1.7	96.3	3.1	5.1	-2.5	96.9	9.9
July.....	68.3	3.8	0.3	1.4	-6.4	16.6	23.0	-0.2	96.8	3.0	5.1	...	105.6	12.6
August.....	...	...	...	1.6	...	...	...	...	96.9	...	...	...	92.6	...

7. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 8. The denominator is foreign short-term liabilities of credit institutions (deposit money banks and investment banks). 9. Prices in SDR. Annual figures are % changes between annual averages. 10. Real effective exchange rate of the Icelandic króna based on relative consumer prices (a trade-weighted average of trading partners' consumer prices is used). 1980 = 100. 11. Cash basis. 12. The ICEX-15 index from January 1 1998. Earlier the ICEX stock price index. Annual figures are % changes over year. 13. Residential housing in the Greater Reykjavik Area. Annual figures are % changes over year.

Sources: Statistics Iceland, Directorate of Labour, State Accounting Office, Iceland Stock Exchange (ICEX), The Land Registry of Iceland, Central Bank of Iceland.

Table 2 Prices

	2004								
	Jan.	Feb.	March	April	May	June	July	August	Sept.
Consumer price index, May 1988 = 100	230.1	229.4	230.7	232.0	233.9	235.7	234.6	234.6	235.6
<i>1-month % changes:</i>									
Consumer price index	0.0	-0.3	0.6	0.6	0.8	0.8	-0.5	-	0.4
Domestic goods excl. agric. products and vegetables	0.5	-0.3	-0.5	0.1	0.8	0.6	0.1	-0.4	0.6
Agricultural products and vegetables	1.0	-0.5	-0.2	-0.7	1.4	0.5	0.9	1.3	-0.1
Imported goods excl. alcohol and tobacco	-1.6	-0.6	1.2	1.2	0.6	1.1	-1.8	-0.8	0.9
Petrol	1.8	-0.5	-2.0	4.1	3.3	6.2	-2.3	3.3	-0.4
Housing	0.1	0.2	0.6	1.0	1.7	1.6	-0.4	0.6	0.7
Public services	5.9	-2.3	-	-	0.7	0.1	0.6	0.4	-0.6
Other services	-0.1	0.4	0.7	0.2	0.5	-	0.4	0.1	-0.1
Harmonised index of consumer prices (HICP) ¹	-0.2	-0.3	0.7	0.5	0.8	0.5	-0.3	...	...
<i>12-month % changes:</i>									
Consumer price index	2.4	2.3	1.8	2.2	3.2	3.9	3.6	3.7	3.4
Domestic goods excl. agric. products and vegetables	1.5	0.7	0.1	-0.2	1.6	1.7	1.8	1.7	1.6
Agricultural products and vegetables	-0.1	-0.6	-0.3	-0.4	0.8	1.4	3.6	4.5	4.2
Imported goods excl. alcohol and tobacco	0.3	1.0	-0.5	0.3	1.6	3.1	2.4	2.3	1.7
Petrol	1.6	1.5	-5.3	-1.0	8.4	18.5	12.7	16.4	13.0
Housing	7.9	7.1	6.7	7.0	8.0	9.4	7.7	6.9	7.1
Public services	9.1	6.3	5.9	5.9	6.6	6.7	6.5	6.9	5.0
Other services	0.7	1.0	1.7	2.4	2.7	2.3	2.4	2.9	2.9
Harmonised index of consumer prices (HICP) ¹	1.4	1.4	1.0	1.5	2.4	2.9	2.8	...	...
Building cost index for residential buildings	1.3	1.4	2.6	2.7	5.0	5.0	5.2	5.7	...
Housing prices ²	8.3	9.2	9.7	13.4	11.4	9.9	12.6	...	...
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA	1.9	1.7	1.7	2.3	3.1	3.3	3.0	...	...
Consumer price index in euro area ³	1.9	1.6	1.7	2.0	2.5	2.4	2.3	2.3	...
Commodity prices excl. oil	-9.0	19.2	23.6	57.1	53.4	53.2	53.9	...	...
Petrol prices ⁴	-0.1	-6.0	11.5	33.7	46.4	27.7	34.1	42.8	...

1. Deviates from the CPI calculated by Statistics Iceland in that the latter includes own housing, education and health care. 2. Present value of price per m² in the Greater Reykjavik Area. Data for 2004 are preliminary. 3. Harmonised index of consumer prices (HICP). 1996=100. 4. Crude oil (Brent).

Sources: Statistics Iceland, The Land Registry of Iceland, EcoWin.

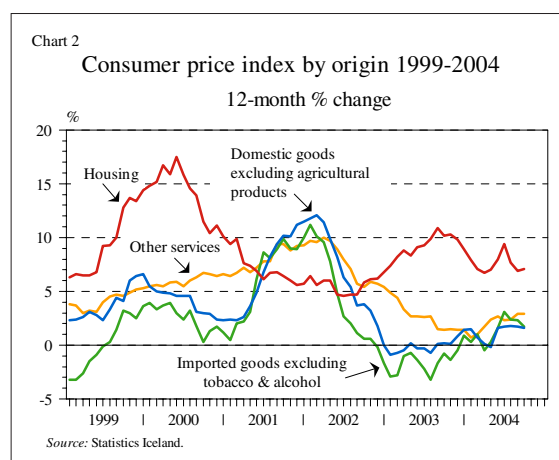
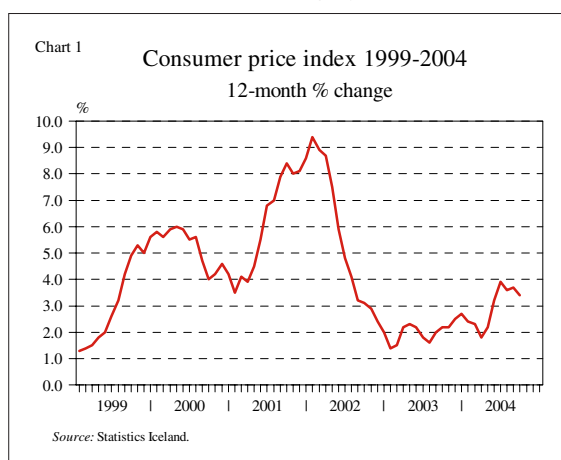


Table 3 Exchange rate of the Icelandic króna

Monthly averages	2003	2004								3-month
	Dec.	Jan.	Feb.	March	April	May	June	July	August	Aug. 31
<i>Effective exchange rate indices:¹</i>										
Official index (31/12 '91 = 100).....	124.6	120.6	119.3	121.3	123.2	123.6	122.7	122.3	121.7	0.0
Import-weighted index (31/12 '94).....	105.6	102.1	100.9	102.7	104.3	104.7	103.9	103.5	103.0	0.0
Export-weighted index (31/12 '94).....	106.5	103.2	102.2	103.8	105.3	105.7	105.0	98.3	90.0	15.7
<i>Central Bank quotations:²</i>										
U.S. dollar	73.1	69.4	68.5	71.1	73.1	73.4	72.1	71.5	71.5	-1.1
Euro	89.7	87.6	86.7	87.2	87.6	88.1	87.6	87.7	87.1	0.0
Japanese yen	0.677	0.653	0.643	0.655	0.679	0.655	0.659	0.654	0.647	-2.1
Pound sterling.....	127.7	126.6	128.0	129.9	131.6	131.0	131.8	131.7	130.1	1.3
Danish krone	12.05	11.76	11.63	11.70	11.77	11.84	11.78	11.80	11.72	0.0
Norwegian krone.....	10.90	10.18	9.88	10.20	10.56	10.73	10.57	10.36	10.46	2.4
Swedish krona	9.95	9.58	9.44	9.44	9.55	9.64	9.58	9.54	9.48	0.1
<i>% changes³</i>										
	<i>Between annual averages</i>				<i>From beginning of year</i>			<i>Previous 12 months</i>		
	2000	2001	2002	2003	Aug. '02	Aug. '03	Aug. '04	Aug. '02	Aug. '03	Aug. '04
Official index (31/12 '91 = 100).....	-0.1	-16.7	3.0	6.4	8.8	-0.7	0.8	6.1	3.7	2.7
Import-weighted index (31/12 '94 = 100)....	0.2	-16.4	3.1	6.6	8.9	-0.7	0.8	6.1	3.7	3.0
Export-weighted index (31/12 '94 = 100)....	-0.2	-17.0	3.0	6.2	8.7	-0.6	16.6	6.1	3.6	18.4
<i>Central Bank quotations:²</i>										
U.S. dollar	-8.2	-19.3	6.9	19.2	17.5	0.5	-1.7	12.1	9.3	11.0
Euro (Deutschemark before 1999).....	6.3	-17.0	1.5	-0.6	5.5	-3.3	2.4	4.2	-1.1	-0.1
Japanese yen	-12.6	-9.1	10.2	10.1	5.6	-1.3	1.0	11.5	7.9	4.6
Pound sterling.....	-1.7	-15.3	2.6	9.4	9.7	2.5	-2.3	5.4	7.4	-2.1
Danish krone	6.5	-17.0	1.2	-0.6	5.4	-3.2	2.3	3.9	-1.1	0.1
Norwegian krone.....	3.7	-17.7	-5.2	5.9	-2.1	9.5	2.6	-4.3	10.5	1.8
Swedish krona	2.0	-9.0	0.4	-1.0	4.3	-2.8	3.0	0.2	-0.7	-1.1

1. Based on a trade-weighted (goods and services) basket of trading partners' currencies. 2. Exchange rate of respective currency against the Icelandic króna. 3. Positive sign indicates an appreciation of the Icelandic króna.

Source: Central Bank of Iceland.

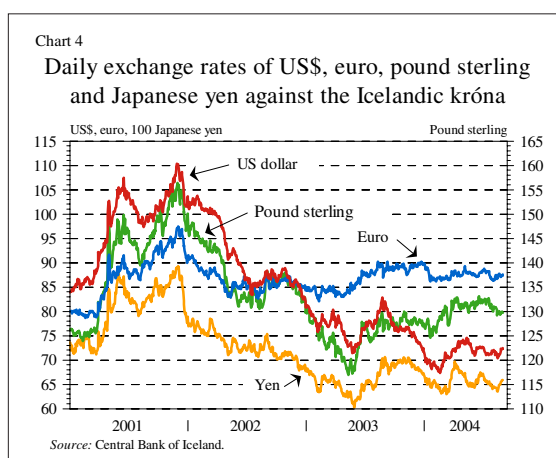
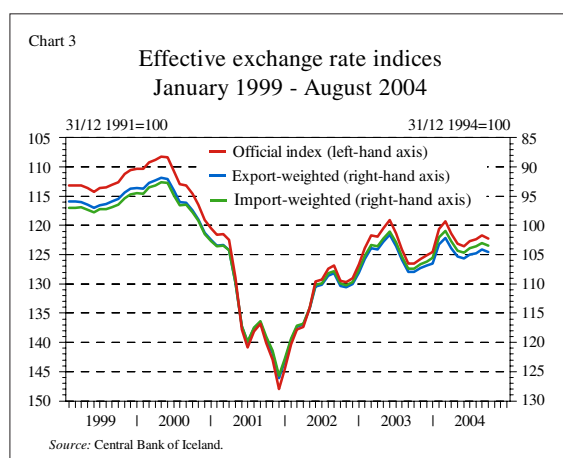


Table 4 Interest rates

All figures are in %	Annual averages ¹			At end of month 2004						
	2001	2002	2003	Feb.	March	April	May	June	July	August
<i>Central Bank rates</i>										
Credit institutions' current accounts	6.8	5.5	2.9	2.8	2.8	2.8	3.0	3.3	3.8	3.8
Required deposits	9.4	7.1	4.2	4.1	4.1	4.1	4.3	4.5	5.0	5.0
Overnight loans (discount rates)	12.3	10.7	7.8	7.7	7.7	7.7	7.9	8.0	8.3	8.3
Repurchase agreements	10.9	8.4	5.4	5.3	5.3	5.3	5.5	5.8	6.3	6.3
<i>Yields in the money market²</i>										
REIBOR, O/N	12.3	9.3	5.1	5.7	5.2	4.8	5.3	5.7	4.0	6.3
REIBOR, 1-month	12.1	9.0	5.3	5.3	5.3	5.3	5.4	5.8	6.1	6.4
REIBOR, 3-month	12.0	8.9	5.3	5.3	5.4	5.4	5.6	6.1	6.5	6.6
REIBOR, 6-month	11.8	8.8	5.5	5.3	5.4	5.5	5.8	6.5	6.8	6.8
Treasury bills, 3-month	11.0	8.1	5.0	5.4	5.0	5.3	5.5	6.0	6.0	6.5
Treasury bills, 6-month ³	10.9	7.9	5.0	5.3	5.1	5.3	5.6	...	...	...
<i>Yields in the capital market⁴</i>										
Treasury notes, up to 5 years	10.6	8.1	6.8	7.0	6.8	6.8	7.6	7.6	7.7	7.7
Treasury bonds, 10 years	5.3	5.2	4.4	4.1	3.9	3.7	4.0	3.9	3.9	3.7
Housing bonds, 25 years ⁵	5.9	5.7	4.7	4.6	4.4	4.1	4.3	4.2	4.7	4.7
Housing Financing Fund bonds, 20 yrs. ⁵ ..	.	.	.	.	.	.	.	.	4.0	3.8
Housing Financing Fund bonds, 30 yrs. ⁵ ..	.	.	.	.	.	.	.	.	3.9	3.7
Housing Financing Fund bonds, 40 yrs. ⁵ ..	.	.	.	.	.	.	.	.	3.8	3.7
<i>Commercial banks' lending rates⁶</i>										
Average rates on non-indexed securities ...	18.0	15.4	12.0	11.5	11.5	11.3	11.3	11.6	12.0	12.1
Average rates on indexed securities	10.2	10.1	9.1	8.2	8.2	8.0	8.0	8.0	8.0	8.0
<i>Rates acc. to Interest Rate Act 38/2001⁷</i>										
Penalty rates	23.7	21.3	17.3	17.0	17.0	17.0	17.0	17.0	17.5	17.5

1. Arithmetic averages of end-of-month figures. Central Bank rates are time-weighted averages. 2. REIBOR are interest rates on the interbank market in Icelandic króna. For Treasury and bank bills, yields in trading on ICEX (Iceland Stock Exchange). 3. Treasury bills with the closest maturity to 6 months. 4. All bond yields are in real terms. 5. Housing bonds and Housing authority bonds were discontinued as of June 1, 2004. New bonds, known as Housing Financing Fund (HFF) bonds, were issued instead and the majority of older issues were swapped for the new ones. 6. From July 1, 2001, the Bank issues information on banks' average interest rates only as statistical information. 7. Interest rates that have legal status in the month shown. From July 1, 2001, penalty rates are revised at 6-month intervals.

Source: Central Bank of Iceland.

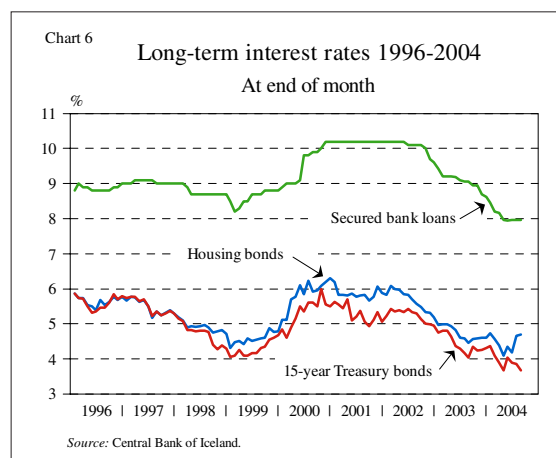
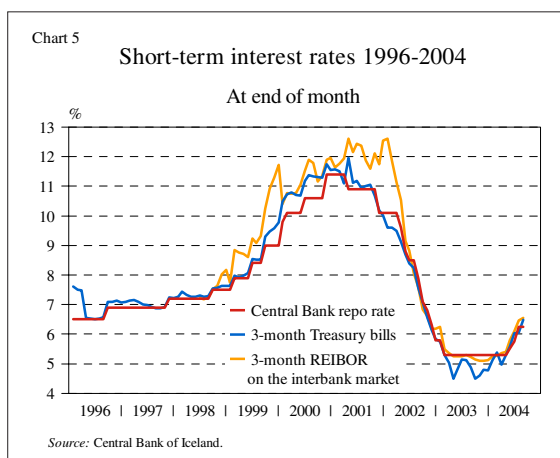


Table 5 Money and credit

Selected items from the balance sheets of the Central Bank, deposit money banks and the banking system

	In b.kr. July 2004	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2001	2002	2003	May '04	June '04	July '04	July '02	July '03	July '04
Net foreign exchange reserves	67.8	.	.	.	0.2	2.7	-0.6	.	.	.
Claims on Treasury and gov. inst., net ..	-16.6	.	.	.	0.5	3.0	9.3	.	.	.
Claims on deposit money banks.....	27.4	38.7	27.9	-65.2	-14.6	1.4	3.8	105.0	-19.4	-59.0
Base money.....	46.8	-14.2	17.2	-33.5	-11.9	8.3	16.5	29.0	-2.5	23.8
Notes and coins in circulation.....	8.7	3.6	3.4	9.5	0.3	-0.1	0.6	2.5	8.9	13.6
Reserves of deposit money banks	38.1	-19.2	22.3	-46.7	-12.3	8.3	15.9	36.8	-5.0	26.4
Deposit money banks¹										
Central Bank items	10.7	.	.	.	2.9	6.6	12.1	.	.	.
Short-term position, net.....	-5.4	.	.	.	10.9	0.8	3.5	.	.	.
Credit and listed securities ²	1,400.6	22.5	3.1	29.6	19.0	55.6	10.9	7.0	15.7	33.0
Credit ³	1,076.4	19.7	2.6	24.4	13.5	42.4	7.1	4.1	13.5	30.5
Treasury and government institutions	14.7	8.1	1.6	-15.2	0.1	0.4	-1.2	23.4	-28.2	2.7
Non-bank financial institutions.....	19.8	-45.2	.	.	-0.8	0.5	-0.4	-91.6	.	.
Industries	688.6	15.5	2.1	26.6	2.4	19.4	12.8	2.5	19.6	31.5
Households	187.6	9.9	8.1	15.4	2.6	0.7	-0.8	15.1	1.6	13.7
Foreign sector	155.3	.	63.1	118.2	10.1	21.1	-3.0	47.0	48.1	128.6
Listed securities.....	174.1	23.9	-3.4	39.8	5.4	13.7	-8.5	7.1	15.2	24.1
Domestic credit and listed securities.....	1,216.4	17.4	0.9	24.1	10.6	32.7	14.7	6.2	14.1	23.9
Domestic credit.....	921.0	13.4	2.0	16.5	3.3	21.3	10.1	3.3	11.5	20.5
Deposits	522.2	15.1	15.5	23.8	5.7	12.2	7.3	12.8	14.9	24.9
Bonds	724.3	48.6	1.7	111.3	54.6	-25.9	22.0	19.7	56.2	115.5
Foreign liabilities for on-lending.....	188.6	-0.2	-0.4	-5.7	-22.2	24.4	-31.7	-11.1	12.0	-37.6
Banking system¹										
Foreign assets, net	216.7	-33.2	-8.3	-199.5	38.6	1.7	2.3	-25.2	-34.6	-315.4
Domestic credit and marketable securities	1,209.7	17.5	-1.0	23.8	11.6	37.4	26.8	0.8	15.7	25.9
Money supply, M1 ⁴	131.9	-2.3	23.8	32.0	5.5	-1.2	13.4	9.6	19.7	36.4
M2 (M1 + demand savings deposits)....	241.4	11.0	9.3	29.7	9.0	9.0	17.3	5.6	16.3	34.7
M3 (M2 + time savings deposits).....	530.9	14.9	15.3	23.5	6.0	12.1	7.9	12.6	14.8	24.7
M4 (M3 + securities issues).....	1,255.2	27.1	9.5	58.1	60.6	-13.7	29.9	15.1	30.0	64.8

1. Since March 1998, all percentage changes have been calculated using figures including FBA. This applies to the following items: credit (and subcategories of credit), listed securities, bonds, foreign liabilities and M4. 2. Treasury bills, equities and leasing contracts also included. 3. Lending series have been adjusted retroactively following reclassification under the ISAT standard. Data on lending to foreign entities available since January 2001. 4. Sum of notes and coins in circulation and DMBs' demand deposits. Source: Central Bank of Iceland.

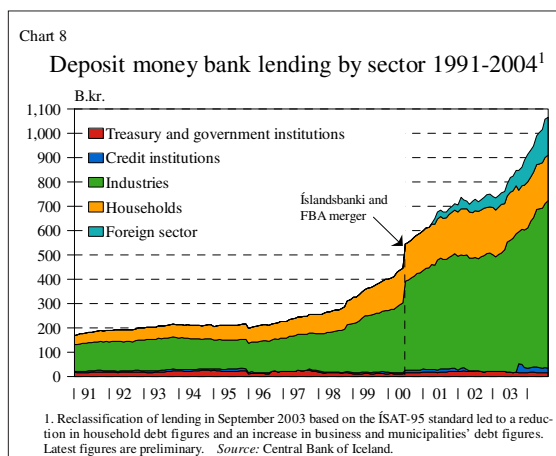
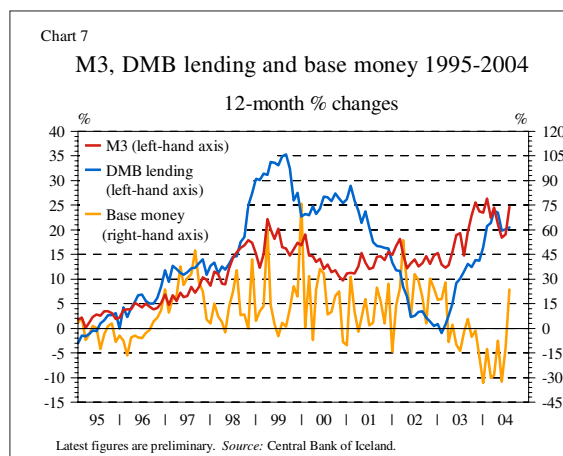


Table 6 The credit system¹

	In b.kr. June 2004	% change over year						3-mo. % change		
		1998	1999	2000	2001	2002	2003	Dec. '03	March '04	June '04
Assets										
Domestic lending and securities.....	2,439.4	15.1	17.3	17.3	19.2	3.2	11.0	1.9	6.1	4.5
Banking system ²	1,183.2	27.2	23.7	44.4	13.8	8.0	24.1	3.6	6.3	6.1
Miscellaneous credit undertakings....	620.9	13.2	17.4	-3.8	20.8	-2.0	8.0	2.7	6.0	6.3
Housing Financing Fund.....	482.9	7.2	13.9	12.0	18.1	11.5	14.1	3.3	4.0	4.2
Credit undertakings subject to minimum reserve requirements ³	94.3	.	.	-34.9	30.3	-41.4	-19.0	1.6	25.4	21.0
Other credit undertakings ⁴	43.7	-78.0	9.2	17.2	16.1	9.0	0.8	-1.5	-0.9	2.3
Pension funds.....	681.2	8.9	17.9	4.6	16.4	12.2	12.5	3.5	4.3	4.7
Insurance companies.....	68.4	9.6	10.1	24.1	12.2	6.3	14.8	12.1	5.8	0.6
Mutual and investment funds ⁵	221.1	123.5	24.1	-14.0	22.3	39.2	47.0	4.8	11.8	7.1
Foreign credit.....	1,348.2	19.3	24.0	39.6	30.0	-4.3	30.5	9.2	7.3	9.6
State lending funds.....	340.5	-3.7	2.2	0.0	31.9	-3.0	-1.8	-1.8	3.6	-1.2
Total of above.....	4,463.6	15.5	18.3	18.4	21.7	3.1	19.4	4.7	6.3	6.3
Less inter-institutional transactions....	-2,024.2	16.0	19.9	20.4	25.8	3.0	32.0	8.5	6.5	8.6
Assets = liabilities.....	2,439.4	15.1	17.3	17.3	19.2	3.2	11.0	1.9	6.1	4.5
Liabilities										
Domestic liabilities.....	1,760.4	16.1	21.0	7.2	14.2	6.6	16.4	5.2	6.5	3.5
Notes and deposits.....	451.1	15.7	16.6	11.1	14.9	13.4	23.1	4.0	3.6	0.9
Securities.....	244.8	30.2	23.0	9.9	6.6	0.1	34.6	3.7	4.4	8.0
Insurance companies' indemnity fund	54.8	5.8	9.1	11.5	15.6	4.4	4.7	-2.9	12.4	-1.4
Pension funds.....	874.9	15.2	27.4	9.9	13.7	4.9	18.4	6.0	5.9	5.0
Capital of financial institutions.....	250.1	5.7	-1.9	14.3	26.0	19.4	19.7	11.3	4.8	7.7
Other items, net.....	-115.2	.	.	.	.	.	.	.	.	.
Foreign liabilities, net.....	679.0	12.6	6.6	50.3	30.6	-3.7	-0.9	-6.0	5.1	7.1
Credit by sector:⁶										
Central government.....	175.4	-0.9	-9.5	-8.4	25.4	1.7	0.7	-4.4	11.4	3.0
Municipalities ⁷	118.2	19.3	13.1	15.9	23.0	4.1	6.5	1.6	1.0	3.4
Industries ⁷	1,332.7	20.8	24.9	22.5	20.7	0.6	16.9	0.2	9.2	5.3
Households ⁷	813.2	14.6	18.0	17.6	15.5	7.0	15.3	6.0	1.2	3.6

1. Partly preliminary or estimated. 2. In May 2003, Glitnir leasing company merged into Íslandsbanki and was thereby reclassified to "Banking system". 3. Credit undertakings subject to minimum reserve requirements comprise: Frjálsi fjárfestingarbankinn hf., Framtak fjárfestingarbanki hf., Lýsing, SP-fjárföringun, Europay, Greiðslumiðlun hf., MP fjárfestingarbanki (since November 2003) and Straumur fjárfestingarbanki (since January 2004). 4. Other credit undertakings comprise: The Agricultural Loan Fund, the Agricultural Productivity Fund, the Municipal Loan Fund and the Regional Development Fund. 5. Since December 2003 investment funds are included. 6. Partly estimated. 7. Since September 2003, lending by sector has been reclassified according to the ÍSAT 95 standard. This produces a lower figure than otherwise for lending to households, and a higher figure for lending to municipalities and industries. Source: Central Bank of Iceland.

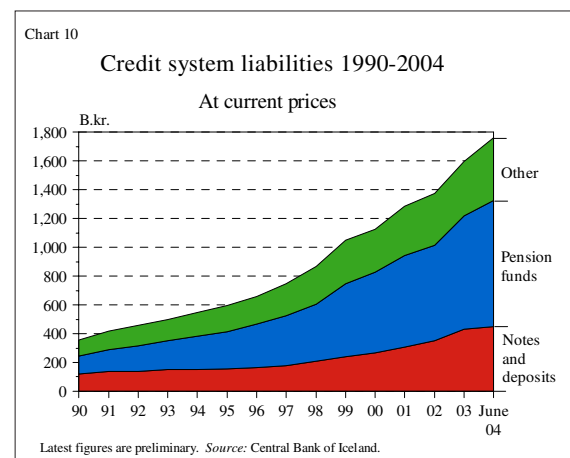
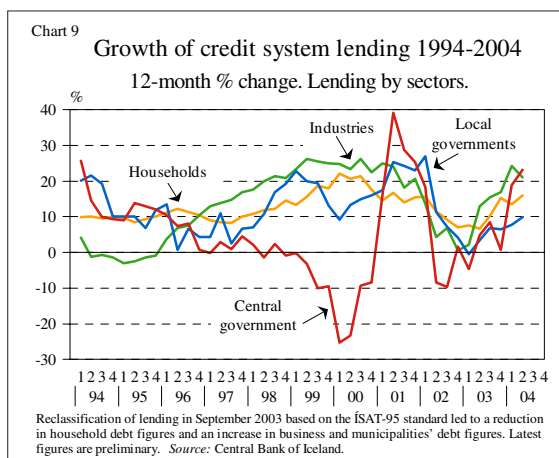


Table 7 Financial markets

At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2002	2003	June '04	Apr. '04	May '04	June '04	Apr. '04	May '04	June '04
Money market ¹	29.2	36.3	38.2	-11.3	15.1	-11.9	-7.6	1.7	4.8
Securities market ²	759.8	1,175.1	1,379.3	1.4	0.4	4.1	77.6	73.1	58.6
thereof Treasury bonds.....	55.8	53.1	49.6	-1.7	-1.4	1.1	-0.1	-3.6	-3.2
thereof housing bonds.....	259.2	307.7	343.7	1.2	1.2	5.5	17.5	18.0	23.2
Market capitalisation of listed equities	529.3	658.8	854.7	3.2	-1.8	8.0	49.4	44.4	55.4
Mutual funds' units (open-end).....	133.1	198.1	242.6	4.3	1.3	2.5	54.6	51.0	45.2

1. Bills issued by Treasury, commercial banks, savings banks and investment credit funds. 2. Government bonds, government notes, housing bonds, housing authority bonds and listed bond issues of banks, savings banks, investment credit funds, leasing companies, firms, municipalities and non-residents. Open-end mutual funds' units not included. Source: Central Bank of Iceland

Table 8 Labour market

Changes in indices are in percent. Other changes indicate increase/decrease in jobs or permits	Averages			1-month change			12-month change		
	2002	2003	July '04	May '04	June '04	July '04	July '02	July '03	July '04
Wage index (1990=100).....	195.0	205.9	216.5	0.8	0.6	0.1	6.6	5.7	5.1
Real wages (1990=100) ¹	127.5	131.8	133.8	0.0	-0.1	0.6	2.4	4.0	1.4
Number of new work permits.....	3,637	3,299	311	79	40	-20	-45	93	-74
Job vacancies, total.....	221	459	801	107	4	65	-307	322	197
thereof Greater Reykjavik Area.....	66	104	264	-26	55	61	-259	20	174
<i>Period averages</i>	2001	2002	2003	May '04	June '04	July '04	July '02	July '03	July '04
Number of unemployed.....	2,009	3,631	4,893	4,900	4,877	4,712	3,530	4,669	4,712
Measured unemployment rate (% of labour force)	1.4	2.5	3.4	3.3	3.1	3.0	2.3	3.0	3.0
Seasonally adjusted unemployment rate.....	.	.	.	3.1	3.2	3.3	2.6	3.4	3.3
<i>Quarterly measurements</i>	2002	2003	Q2 '04	Q4 '03	Q1 '04	Q2 '04	Q2 '02	Q2 '03	Q2 '04
Wage index (1990 = 100).....	195.0	205.8	214.8	0.5	2.0	1.5	7.5	5.6	4.6
Wages in the private sector.....	178.6	188.5	196.0	0.5	1.1	2.2	5.7	5.5	4.2
Wages in the public sector and banks.....	221.9	234.5	245.5	0.5	3.5	0.4	10.2	5.9	4.9

1. Deflated by consumer prices. Sources: Statistics Iceland, Directorate of Labour, Central Bank of Iceland.

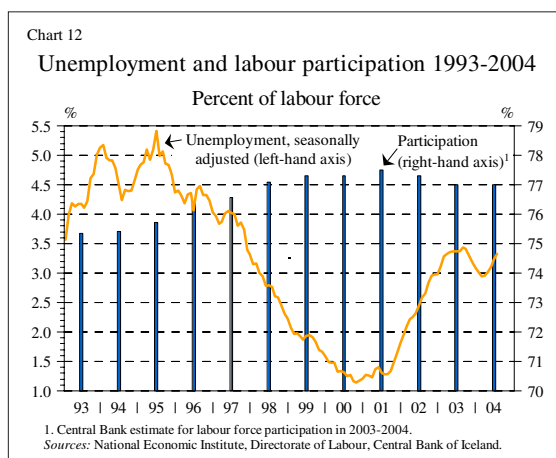
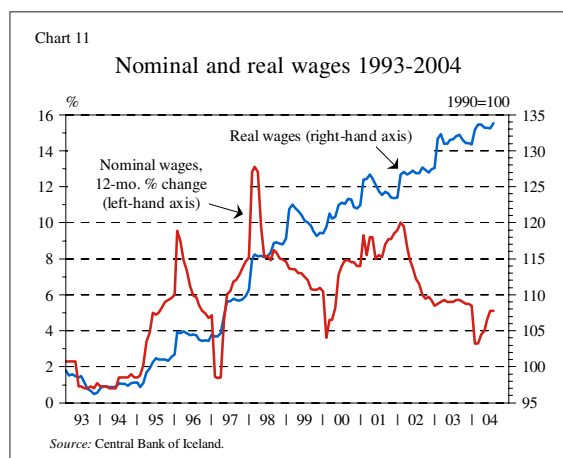


Table 9 National accounts – annual data

<i>In b.kr.</i>	1998	1999	2000	2001	2002	Estimate 2003	Forecast ¹		
							2004	2005	2006
Gross domestic product (GDP), current prices....	569.3	609.6	662.6	744.2	779.3	810.8	866.3	945.0	1,024.3
Current account balance, current prices.....	-39.5	-42.6	-67.1	-30.1	8.9	-32.8	-76.1	-107.9	-122.8
GDP at 1990 fixed prices	428.2	446.0	471.5	481.8	479.3	500.2	522.1	546.8	571.5
GNP at 1990 fixed prices	418.5	436.6	457.6	465.5	474.3	495.3	511.0	532.8	554.1
<i>Volume changes between years, percent</i>									
Private consumption	9.9	7.3	4.0	-3.8	-1.1	6.7	5½	6¼	5¼
Public consumption	3.4	4.9	4.3	3.2	4.1	3.3	½	2	2
Gross fixed capital formation	32.9	-3.0	14.8	-7.6	-15.1	17.7	17	15¾	6½
Industries	45.8	-5.1	14.9	-15.2	-22.7	26.1	30¼	24¾	7¼
Housing	1.3	0.3	15.2	17.8	5.2	13.3	12	4	3
Public works and buildings	23.4	2.7	14.0	-1.7	-12.2	-0.4	-17	-8½	9
National expenditure	13.4	4.2	6.8	-4.2	-2.9	8.0	7	7¾	5
Exports of goods and services.....	2.1	4.0	5.0	7.7	3.6	0.3	5	4	6
Exports of goods	-2.6	7.1	-1.3	7.2	6.6	-1.2	5	3¼	7¾
Exports of services	13.8	-2.5	19.3	8.6	-1.9	3.3	4½	5½	2½
Imports of goods and services.....	23.5	4.2	8.0	-9.0	-2.5	9.6	11¾	11½	7
Imports of goods	24.3	3.2	2.8	-10.0	-3.4	7.3	13	14½	7½
Imports of services	21.2	6.9	21.5	-6.9	-0.8	14.5	9½	4½	5
Gross domestic product (GDP)	5.5	4.2	5.7	2.2	-0.5	4.3	4¼	4¾	4½
Gross national product (GNP).....	5.6	4.2	4.7	2.3	0.4	4.5	4¼	4¼	4
Gross national income (GNI).....	7.8	4.0	3.7	1.9	2.1	2.7	3½	4¾	4¼
Terms of trade (goods and services)	5.6	-0.8	-2.7	0.3	0.5	-4.2	-3	1¼	¼
<i>Percent of GDP</i>									
Private consumption.....	57.3	58.9	58.8	54.9	53.8	55.5	56¼	56¼	56½
Gross fixed capital formation.....	24.6	22.6	24.1	22.2	18.7	21.3	24½	26¾	27½
Current account balance.....	-6.9	-7.0	-10.1	-4.0	1.1	-4.1	-8¾	-11½	-12
Gross national saving.....	17.8	15.6	14.3	17.9	19.8	17.0	15½	15½	15½

1. Central Bank of Iceland forecast in June 2004.

Sources: Statistics Iceland, Central Bank of Iceland

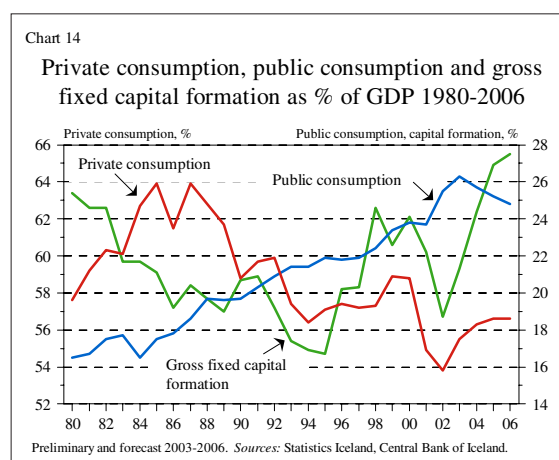
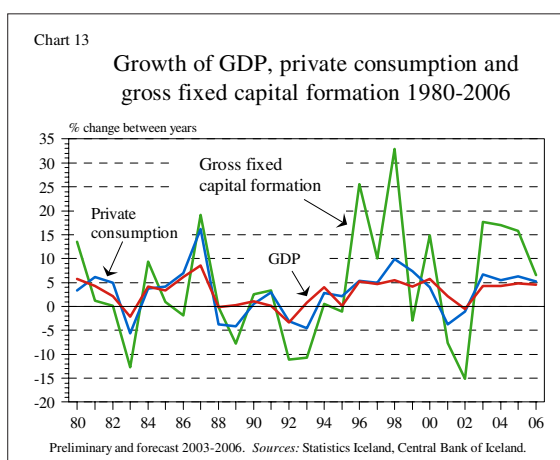


Table 9 (continued) National accounts – quarterly data

<i>In b.kr.</i>	<i>Private consumption</i>	<i>Public consumption</i>	<i>Gross fixed cap. format.</i>	<i>Changes in stocks</i>	<i>National expenditure</i>	<i>Exports</i>	<i>Imports</i>	<i>GDP</i>
2001: Q2	103,401	43,990	38,085	53	185,529	71,684	-74,897	182,316
2001: Q3	101,103	44,372	44,955	622	191,051	84,146	-84,131	191,066
2001: Q4	107,597	47,148	39,884	-20	194,610	82,602	-73,478	203,734
2002: Q1	99,009	47,809	35,501	-339	181,980	76,495	-71,239	187,236
2002: Q2	106,479	49,355	36,124	-896	191,061	79,239	-75,333	194,967
2002: Q3	103,758	49,408	37,145	825	191,136	80,789	-75,342	196,583
2002: Q4	109,902	52,297	36,797	229	199,224	72,279	-70,995	200,508
2003: Q1	105,489	51,505	33,026	-858	189,162	71,143	-67,337	192,968
2003: Q2	114,190	53,357	42,536	-369	209,715	67,615	-78,305	199,025
2003: Q3	111,147	52,906	48,001	27	212,082	80,177	-87,375	204,884
2003: Q4	119,171	55,859	48,867	-3,396	220,501	68,876	-78,503	210,874
2004: Q1	114,920	54,342	38,968	3,274	211,503	72,574	-77,433	206,644
2004: Q2	125,004	56,605	53,408	-1,677	233,340	76,465	-94,520	215,285
<i>Volume change from same quarter in prev. year (%)</i>								
2001: Q2	-4.3	5.0	-23.2	-0.3	-7.7	2.7	-16.4	0.1
2001: Q3	-5.2	-1.5	-5.2	0.8	-3.7	1.2	-8.1	0.2
2001: Q4	-6.9	2.5	-21.1	-2.2	-10.4	13.7	-19.8	1.3
2002: Q1	-5.5	3.1	-23.5	1.7	-6.9	3.1	-14.0	0.0
2002: Q2	-1.5	2.9	-10.6	-0.7	-3.2	11.8	2.4	0.1
2002: Q3	0.8	4.9	-17.5	0.3	-2.5	2.4	-3.2	-0.2
2002: Q4	1.9	5.8	-6.6	0.2	1.2	-2.1	6.7	-1.8
2003: Q1	6.5	3.2	-7.6	0.0	2.9	5.1	0.4	4.7
2003: Q2	7.3	3.9	20.5	0.6	9.8	-5.1	10.5	3.4
2003: Q3	6.3	3.0	26.3	-0.7	9.0	2.5	16.0	3.5
2003: Q4	6.5	3.1	31.0	-1.0	9.3	-1.2	10.8	4.9
2004: Q1	7.9	1.9	17.1	0.2	8.5	3.8	14.3	4.6
2004: Q2	6.5	2.2	21.0	-0.1	8.7	7.4	12.9	6.4

Source: Statistics Iceland, Central Bank of Iceland

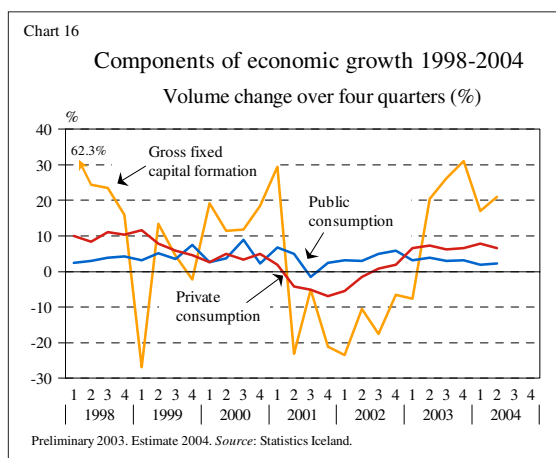
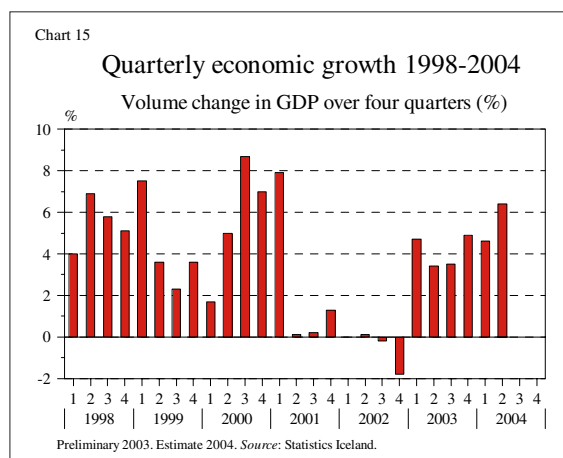


Table 10 Current account balance¹ (continued on next page)

	<i>In b.kr.</i>					<i>% change from previous year²</i>		
	2000	2001	2002	2003	Jan.-July '04	3-mo.	6-mo.	12-mo.
<i>Trade in goods and services</i>								
Trade balance	-38.0	-6.7	13.1	-16.9	-20.2	.	.	.
Merchandise exports fob	149.3	196.4	204.3	182.6	115.6	5.8	6.6	0.8
Excluding ships and aircraft	146.1	193.1	202.0	181.2	115.2	6.0	6.9	1.9
Marine products	94.5	121.8	128.6	113.7	70.6	-1.2	4.6	0.2
Aluminium and ferro-silicon.....	31.6	44.4	43.5	40.3	24.8	16.5	6.2	0.2
Other industrial products.....	15.1	19.0	14.5	21.6	15.8	14.9	13.4	8.4
Merchandise imports fob	187.3	203.1	191.2	199.5	135.7	18.1	16.0	16.8
Excluding ships and aircraft	177.5	190.1	180.0	195.7	131.2	11.8	15.1	17.6
Consumption goods.....	59.3	60.8	59.5	66.3	43.4	13.3	16.1	.
Investment goods	44.3	44.4	38.6	46.1	30.9	7.4	17.4	23.5
<i>Services and income balance</i>								
	2000	2001	2002	2003	2004/Q2	3-mo.	6-mo.	12-mo.
Services balance.....	-9.5	1.7	1.8	-7.8	-4.5	.	.	.
Services exports	82.4	106.5	104.5	105.2	28.5	14.8	8.1	7.8
Transportation	40.8	50.9	51.7	51.3	16.5	30.2	25.6	16.8
Travel	18.0	22.9	22.8	24.5	6.0	8.1	10.6	12.8
Other receipts	23.6	32.7	30.0	29.4	6.0	-9.2	-20.5	-10.9
Services imports	-91.9	-104.8	-102.7	-113.0	-33.0	16.0	13.5	15.7
Transportation	-32.7	-37.1	-39.3	-40.0	-12.2	31.4	23.6	16.3
Travel	-37.1	-36.4	-33.4	-39.8	-12.5	24.1	26.1	26.7
Other expenditure.....	-22.1	-31.3	-30.0	-33.2	-8.2	-9.1	-9.9	2.4
Balance on income	-19.4	-24.9	-8.1	-8.0	1.7	.	.	.
Receipts	11.6	16.9	27.9	28.8	12.5	97.5	39.1	7.0
Compensation of employees.....	5.5	5.8	5.4	6.2	1.2	-18.8	-8.6	2.5
Interest payments	3.5	3.4	4.9	4.4	1.8	68.0	69.9	26.0
Dividends and reinvested earnings ³ ..	2.6	7.8	17.6	18.2	9.4	153.2	49.8	4.1
Expenditures.....	-31.0	-41.9	-36.0	-36.7	-10.7	8.9	13.3	9.6
Compensation of employees.....	-0.8	-0.5	-0.7	-0.5	-0.2	15.5	41.8	13.9
Interest payments	-28.5	-41.1	-34.2	-31.7	-9.1	9.2	4.4	0.6
Dividends and reinvested earnings ³ ..	-1.6	-0.3	-1.1	-4.6	-1.5	6.4	69.1	101.8
Current transfer, net.....	-0.8	-1.0	1.2	-1.2	-0.3	18.5	-5.0	-211.8
Current account balance.....	-67.1	-30.1	8.9	-32.8	-16.7	.	.	.

Chart 17

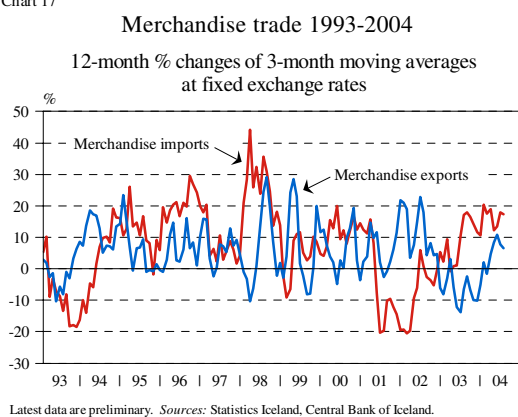


Chart 18

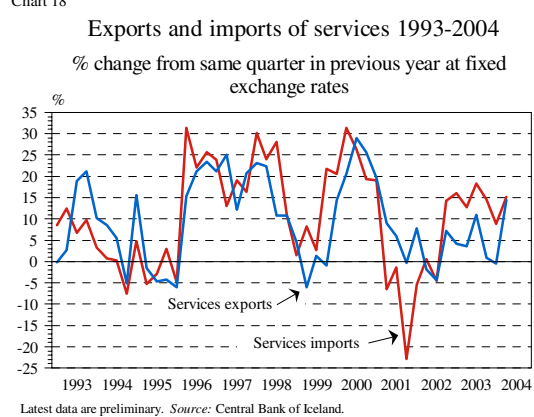


Table 10 (continued) Current account balance¹

	<i>In b.kr.</i>					<i>Change from prev. year (in b.kr.)²</i>		
	2000	2001	2002	2003	2004/Q2	3-mo.	6-mo.	12-mo.
<i>Capital and financial account</i>	71.9	18.6	2.9	28.4	15.6	.	.	.
Capital transfer, net.....	-0.2	0.4	-0.1	-0.4	-0.3	-0.2	-0.3	-0.5
Financial account ⁴	72.2	18.3	3.1	28.8	15.9	-1.2	7.8	29.6
Financial account excl. reserves	66.4	13.1	17.3	55.6	-	-30.4	-37.8	-15.2
Direct investment, net.....	-17.5	-16.4	-17.8	-6.9	-20.9	-9.5	-27.6	-15.5
Abroad	-31.0	-33.7	-29.6	-26.8	-21.6	-18.0	-34.7	-32.2
In Iceland.....	13.4	17.3	11.8	19.9	0.7	8.5	7.1	16.7
Portfolio investment, net.....	39.4	60.8	22.2	236.0	67.3	-6.1	79.0	234.3
Assets.....	-50.4	-5.6	-30.0	-45.3	-8.8	-2.4	-19.5	-29.0
Equities.....	-49.9	-5.8	-25.7	-40.6	-7.4	-2.4	-19.3	-30.2
Debt securities.....	-0.4	0.2	-4.3	-4.7	-1.4	0.1	-0.2	1.2
Liabilities.....	89.8	66.5	52.2	281.3	76.1	-3.7	98.4	263.3
Equities.....	-3.4	4.3	1.5	-2.6	-1.0	0.9	2.8	0.7
Debt securities.....	93.1	62.2	50.7	283.9	77.0	-4.6	95.6	262.5
Other investment, net ⁴	44.6	-30.9	4.4	-176.9	-27.6	17.3	-33.4	-158.5
Assets.....	-7.1	-47.1	-30.4	-148.7	-70.9	-28.4	-45.6	-140.1
Liabilities.....	51.7	16.2	34.8	-28.1	43.2	45.6	12.2	-18.3
Reserve assets.....	5.8	4.8	-5.7	-23.4	-2.9	-2.8	-10.1	-30.7
Net errors and omissions	-4.8	11.5	-11.9	4.4	1.1	.	.	.
<i>Memorandum items:</i>								
Long-term borrowing, net.....	143.0	36.3	45.1	78.9	45.1	9.7	50.1	73.9
Assets.....	-0.5	-42.1	-40.4	-176.9	-75.2	-31.3	-56.0	-171.8
Monetary authorities.....	7.0	4.8	-5.7	-23.3	-3.0	-2.9	-10.2	-30.8
General government.....	-	-	-	-	-	-	-	-
Deposit money banks.....	-4.1	-18.5	-33.3	-155.7	-69.3	-30.7	-41.0	-143.6
Other sectors.....	-3.5	-28.4	-1.4	2.1	-2.9	2.4	-4.8	2.6
Liabilities.....	143.5	78.4	85.4	255.8	120.3	41.0	106.2	245.7
Monetary authorities.....	9.4	-5.8	4.8	-15.9	-0.0	6.0	11.8	5.7
General government.....	16.2	42.2	17.5	-4.8	-7.2	-7.8	2.9	-3.3
Deposit money banks.....	73.9	12.9	54.2	264.1	121.1	46.0	96.1	242.2
Other sectors.....	44.0	29.1	8.9	12.4	6.4	-3.2	-4.6	1.1

1. Latest figures are preliminary. 2. At constant exchange rates, based on the latest period indicated. 3. Dividend payments and reinvestment of earnings on direct investment. 4. Positive value represents inflow of capital due to foreign borrowing or decrease in assets. Negative value accounts for outflow of capital, debt repayments or increase in assets. *Source:* Central Bank of Iceland.

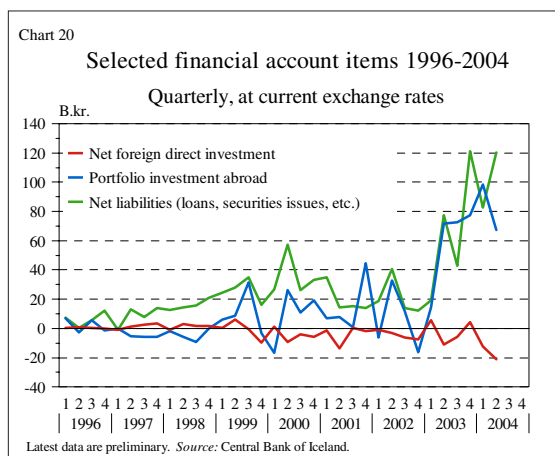
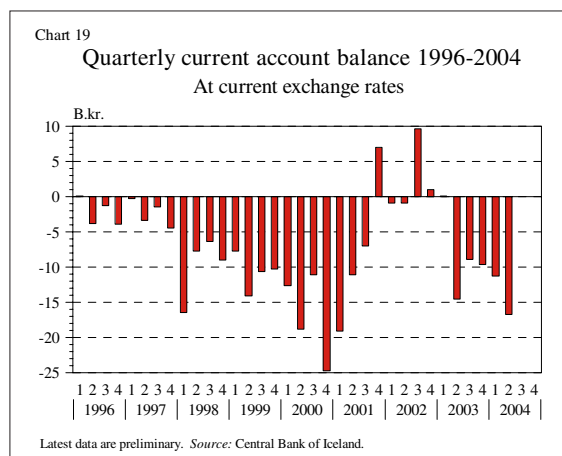


Table 11 International investment position

	<i>Position at end of period, in b.kr.</i>									
	1999	2000	2001	2002	2003	Sept. '03	Dec. '03	March '04	June '04	
International investment position	-302.3	-448.7	-587.5	-570.2	-550.1	-578.8	-550.1	-566.2	-596.6	
Total assets.....	244.1	315.8	421.5	395.4	676.8	537.4	676.8	747.2	841.7	
Direct investment abroad	33.0	56.2	86.8	87.5	118.7	108.3	118.7	127.2	146.7	
Equity capital	16.6	41.0	66.8	67.6	107.3	94.6	107.3	106.4	122.9	
Other capital	16.4	15.2	19.9	19.9	11.5	13.7	11.5	20.8	23.8	
Portfolio assets	138.8	186.3	202.9	159.7	241.7	210.2	241.7	269.0	281.8	
Equity capital	125.4	179.7	188.4	149.3	226.1	195.6	226.1	252.6	263.9	
Debt securities.....	13.4	6.6	14.6	10.4	15.5	14.6	15.5	16.3	17.9	
Other investment assets.....	36.6	39.1	95.2	111.1	258.3	172.6	258.3	284.3	344.7	
Reserves.....	35.8	34.2	36.6	37.2	58.1	46.4	58.1	66.7	68.5	
Total liabilities	546.4	764.5	1,009.0	965.7	1,226.9	1,116.1	1,226.9	1,313.5	1,438.3	
Direct investment in Iceland	34.9	41.5	70.8	63.3	74.9	61.8	74.9	76.5	81.7	
Equity capital	25.3	33.1	63.4	55.9	54.9	55.7	54.9	56.2	61.0	
Other capital.....	9.6	8.5	7.4	7.4	20.1	6.1	20.1	20.3	20.6	
Portfolio liabilities.....	227.4	346.7	468.0	468.3	754.7	664.8	754.7	879.1	956.9	
Equity capital	6.0	1.2	5.6	7.9	5.9	5.0	5.9	7.0	8.1	
Debt securities.....	221.4	345.5	462.4	460.4	748.8	659.8	748.8	872.1	948.8	
Other investment liabilities	284.2	376.2	470.2	434.1	397.2	389.5	397.2	357.8	399.7	
Long-term debt.....	229.2	289.0	377.0	296.2	251.5	269.7	251.5	234.5	248.4	
Short-term debt.....	55.0	87.2	93.2	137.8	145.7	119.8	145.7	123.3	151.3	
<i>Memorandum items:</i>										
Equity capital, net.....	117.6	193.1	198.7	165.5	264.0	237.0	264.0	296.3	320.8	
Net external debt position.....	-419.9	-641.8	-786.2	-735.8	-814.1	-815.7	-814.1	-862.6	-917.4	
Monetary authorities.....	32.2	18.6	21.7	20.8	58.1	46.2	58.1	66.5	68.3	
General government	-138.2	-167.4	-239.6	-226.9	-218.6	-221.9	-218.6	-225.1	-217.1	
Deposit money banks	-145.2	-329.5	-377.4	-368.0	-483.0	-476.6	-483.0	-541.3	-602.3	
Other sectors.....	-168.6	-163.4	-191.0	-161.7	-170.6	-163.5	-170.6	-162.7	-166.3	
<i>Percent of gross domestic product¹</i>										
International investment position	-49.4	-63.8	-75.7	-78.9	-69.3	-70.9	-69.3	-65.5	-69.4	
Net external debt ²	68.6	91.2	101.2	101.8	102.6	100.0	102.6	99.8	106.6	
External debt position ²	82.5	102.5	120.1	123.8	144.5	128.6	144.5	142.3	156.8	
Long-term debt.....	67.1	83.6	97.4	94.7	109.7	98.0	109.7	112.8	122.0	
Short-term debt.....	15.4	18.9	22.7	29.1	34.8	30.6	34.8	29.5	34.8	

1. Foreign debt at year-end at annual average exchange rates (based on SDR). Quarterly ratios as percent of estimated annual GDP. 2. Direct investment capital and portfolio equities excluded. Source: Central Bank of Iceland.

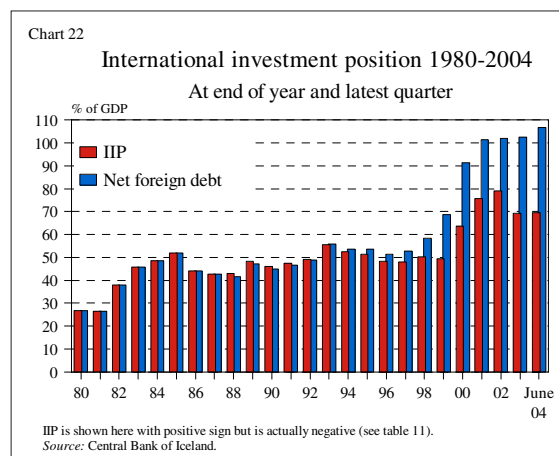
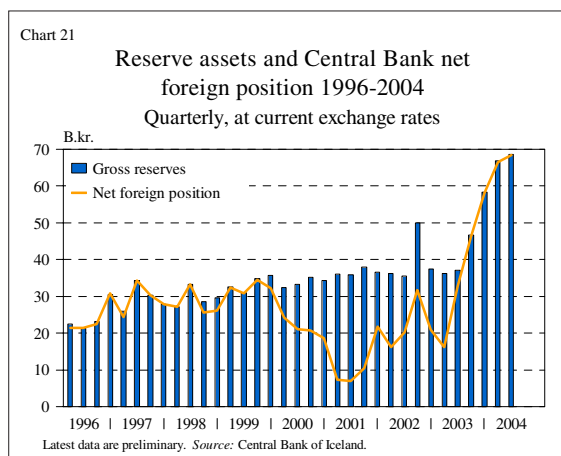


Table 12 Summary of Treasury finances¹

In b.kr.	Accruals basis			Jan.-Dec.		% ch. from prev. year	March-June		% ch. from prev. year
	2000	2001	2002	2002	2003		2003	2004	
Revenues	224.7	237.4	259.2	233.8	259.8	11.1	86.4	84.8	-1.8
Expenditures	229.0	228.7	267.3	246.8	268.7	8.9	85.4	92.2	7.9
Financial balance.....	-4.3	8.6	-8.1	-13.0	-8.9	.	1.0	-7.4	.
Miscell. short-term accounts	6.0	-6.1	-14.4	1.7	9.8	.	-0.5	-1.2	.
Net lending	3.3	-12.6	11.3	10.6	6.5	.	1.5	6.3	.
Equity transactions	-3.2	-11.5	0.7	-3.4	4.5	.	4.0	-0.2	.
Balance before financing.....	1.9	-21.5	-10.5	-4.1	11.8	.	6.0	-2.4	.
Pension funds	7.6	-18.8	-4.2	-9.0	-7.5	.	-2.5	-5.4	.
Net borrowing	-8.2	41.6	13.5	10.6	-6.0	.	0.8	2.5	.
Short-term domestic	-3.9	6.0	0.0	0.0	8.5	.	5.0	-0.8	.
Long-term domestic	-12.5	1.8	3.0	0.1	1.6	.	2.9	5.2	.
From abroad	8.2	33.9	10.5	10.5	-16.0	.	-7.2	-2.0	.
Cash balance.....	1.3	1.4	-1.2	-2.5	-1.6	.	4.2	-5.3	.
<i>Revenues and expenditures</i>									
Total revenues.....	224.7	237.4	259.2	233.8	259.8	11.1	86.4	84.8	-1.8
Personal income taxes, gross.....	44.1	52.5	55.1	52.6	55.8	6.1	18.1	20.4	12.8
Other income and property taxes ...	25.3	27.0	27.5	25.5	28.1	10.4	4.6	7.2	54.7
Value-added tax	71.9	72.1	76.3	73.6	80.3	9.0	24.6	28.1	14.0
Taxes on commodities & imports...	18.1	15.9	15.4	15.6	17.5	12.4	5.5	7.2	29.3
Payroll taxes	19.7	21.9	23.4	22.6	25.2	11.5	8.3	9.3	12.7
Other taxes.....	21.5	22.3	22.9	22.1	23.7	6.8	6.6	6.9	5.1
Interest, dividends and rent	13.2	16.6	18.7	11.3	11.0	-3.2	5.0	4.1	-16.4
Profits from asset sales.....	3.8	1.1	11.7	4.4	11.6	164.9	11.8	0.0	-100.0
Other revenues.....	7.1	7.9	8.3	6.0	6.7	11.1	2.0	1.7	-16.2
Total expenditures ²	229.0	228.7	267.3	246.8	268.7	8.9	85.4	92.2	7.9
Expenditure on goods and services	102.0	91.7	116.8	106.7	120.6	13.1	40.3	43.1	7.1
Current transfers	91.6	96.1	112.6	101.7	108.7	6.9	33.0	36.0	9.2
Interest payments.....	15.2	17.9	16.0	17.8	14.9	-16.0	4.5	6.8	50.5
Maintenance.....	5.3	5.7	6.1	4.9	5.0	2.1	1.7	1.3	-18.7
Capital expenditures	14.9	17.3	15.8	15.8	19.4	23.4	6.0	4.9	-19.0

1. First three columns on accruals basis as in the Treasury accounts but latest figures on cash basis. 2. The most recent expenditure figures are not comparable with earlier data due to changes in the presentation of the accounts.

Source: State Accounting Office.

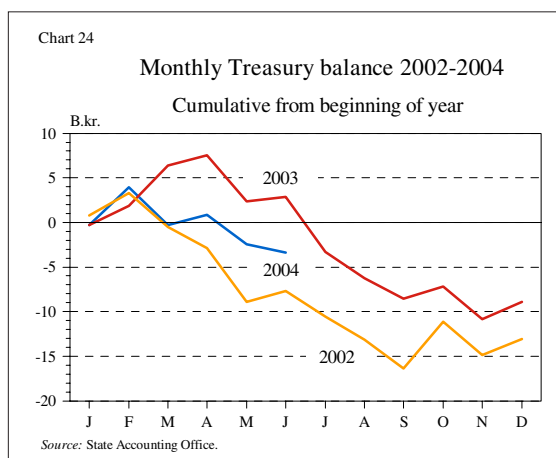
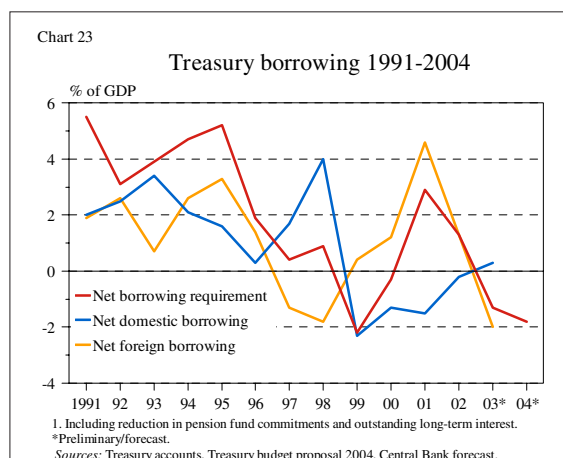


Table 13 Public sector finances¹

In b.kr.

	1995	1996	1997	1998	1999	2000	2001	2002	2003 ²	2004
<i>General government</i>										
Revenues	179.7	197.2	213.2	242.9	278.6	301.1	328.5	352.0	373	414
Expenditures	193.1	205.0	213.3	240.0	264.0	284.6	327.2	355.4	387	405
Financial balance.....	-13.4	-7.7	-0.1	2.8	14.6	16.6	1.3	-3.4	-14	9
Net debt	179.3	191.5	196.5	180.7	147.0	158.7	199.3	182.2	164	156
Gross debt.....	267.6	274.4	279.4	280.5	271.5	278.0	354.6	340.7	329	315
<i>Central government</i>										
Revenues	141.3	155.7	162.4	183.9	213.8	228.7	245.4	257.3	278	306
Expenditures	152.9	163.0	159.6	177.8	198.2	211.7	240.9	262.0	289	299
Financial balance.....	-11.6	-7.3	2.7	6.2	15.6	16.9	4.6	-4.7	-11	7
Net debt	155.4	168.2	172.3	151.3	118.8	127.4	168.8	130.6	133	124
Gross debt.....	232.6	239.2	241.6	237.8	226.0	228.5	298.3	281.1	270	254
<i>Local government</i>										
Revenues	40.9	46.9	55.5	62.9	69.9	77.7	89.5	101.2	107	115
Expenditures	42.3	47.4	58.5	67.2	72.8	80.3	94.8	101.4	106	115
Financial balance.....	-1.4	-0.4	-3.0	-4.3	-2.9	-2.6	-5.3	-0.2	1	0
Net debt	25.1	24.2	25.0	30.1	28.7	31.7	30.7	32.8	31	31
Gross debt.....	35.6	35.7	38.4	43.3	46.1	49.8	56.6	60.2	60	61
<i>General government, % of GDP</i>										
Revenues	39.7	40.6	41.5	42.7	45.7	45.4	44.1	45.2	46.0	47.3
Expenditures	42.7	42.2	41.5	42.2	43.3	42.9	44.0	45.6	47.7	46.3
Financial balance.....	-3.0	-1.6	0.0	0.5	2.4	2.5	0.2	-0.4	-1.6	1.0
Net debt	39.3	39.0	37.8	31.6	23.5	23.5	25.8	23.2	20.0	17.5
Gross debt.....	58.7	55.9	53.8	49.0	43.4	41.1	45.8	43.4	40.1	35.4

1. The public sector includes the central and local governments and the social security system. Revenues and expenditures are here itemised according to the UN system of national accounts and deviate from the Treasury accounts on accruals basis or (within the year) on cash basis shown in Table 12. The main differences are that by SNA standards i) in each year only pension liability increases due to activities during that year are shown; ii) instead of showing depreciation of tax claims as expenditures, a precautionary deduction is made on the revenue side; iii) profits from the sale of government assets are not shown as revenues. Instead, they are shown as a part of lending and borrowing transactions. 2. The figures for general government revenues and expenditures do not match the total of the respective central and local government figures for 2003. General government data are as published by Statistics Iceland, based on sources including the unpublished national accounts. Statistics Iceland has not published data on central and local government debt, revenues and expenditure for 2003; aggregates are estimated here using data available at the time of going to press.

Sources: Ministry of Finance, Statistics Iceland, Central Bank of Iceland.

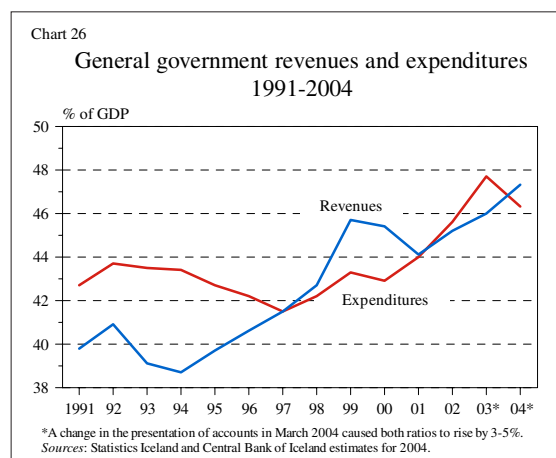
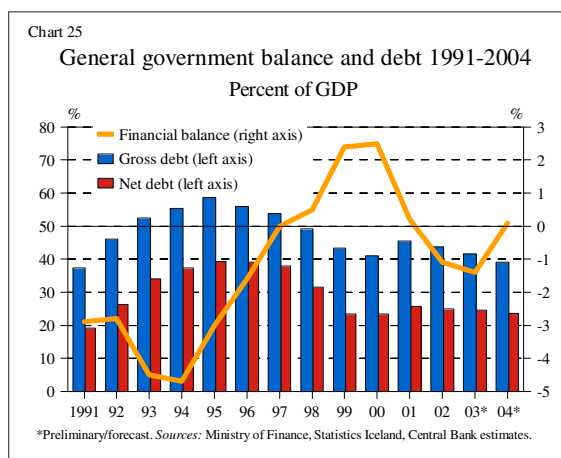


Table 14 Turnover¹

<i>M.kr.</i>	<i>January-April</i>			<i>% ch. on prev. year, Jan.-April²</i>		
	2002	2003	2004	2002	2003	2004
Industries, total	98,731	98,731	106,646	-14.9	-1.8	5.7
Industries, excluding fish processing	63,147	63,147	68,025	-5.8	-1.8	5.4
Industries, excl. fish proc. and power-intensive ...	49,558	49,558	54,958	-3.5	-1.8	8.6
Retail trade	54,657	54,657	58,836	1.5	0.1	7.3
Wholesale trade	87,641	91,331	108,805	-2.7	3.5	17.9
Wholesale trade, excluding fuels	75,244	78,692	95,839	-2.4	4.7	21.4
Construction	19,324	21,838	27,902	-21.5	10.9	25.1
Total	398,090	392,162	449,667	2.0	-3.3	12.2
Total, excluding fuels	385,693	379,524	436,701	1.2	-1.5	14.7

1. Based on VAT reports. Figures are not comparable with the period before 1998 due to new methodology. 2. Based on price-adjusted turnover, deflated by the consumer price index. *Sources:* Statistics Iceland, Central Bank of Iceland.

Table 15 Real effective exchange rate of the Icelandic króna¹

	<i>Annual averages</i>					<i>Q2</i>	<i>% change on prev. year</i>		
	1999	2000	2001	2002	2003	2004	Q4'03	Q1'04	Q2'04
Real effective exchange rate (1980=100)									
based on relative consumer prices (CPI)	93.6	96.2	83.6	88.4	93.8	95.8	1.1	3.7	-0.7
based on relative unit labour costs (ULC)	89.5	90.8	79.2	83.9	87.9	92.1	-2.9	12.1	0.0
<i>% change on previous year</i>	1996	1997	1998	1999	2000	2001	2002	<i>Prelim.</i> 2003	<i>Forecast</i> 2004
Nominal effective exchange rate	0.0	1.2	1.5	0.0	0.2	-16.6	2.5	6.2	1.2
Foreign consumer prices	2.0	2.1	1.6	1.6	2.3	2.2	1.8	2.1	1.3
Domestic consumer prices	2.3	1.8	1.7	3.4	5.1	6.6	4.8	2.1	3.3
Real exchange rate based on relative CPI	0.3	0.9	1.6	1.8	2.9	-13.1	5.7	6.1	3.2
Foreign productivity	1.5	1.5	1.2	1.2	1.9	1.2	1.0	1.1	1.4
Domestic productivity	2.1	2.0	2.9	1.4	3.3	1.1	-0.1	5.1	2.0
Foreign wages	3.5	3.2	3.0	3.3	3.2	3.3	3.1	3.0	2.8
Domestic wages	5.2	5.8	7.1	5.5	5.7	8.0	5.8	5.5	5.0
Real exchange rate based on relative ULC	1.1	3.3	4.1	1.7	1.4	-12.7	5.9	4.8	2.7

1. Latest values are preliminary. *Source:* Central Bank of Iceland.

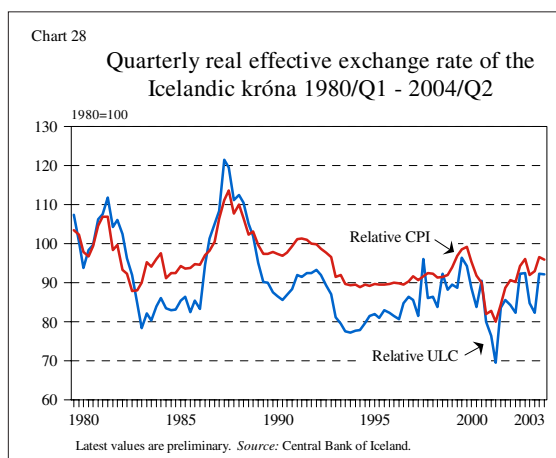
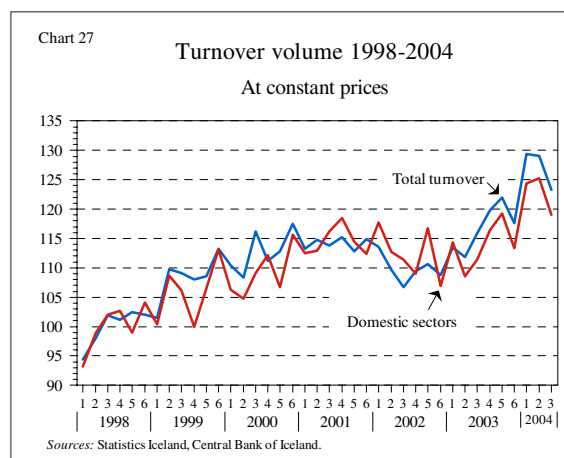


Table 16 Real estate market and asset prices

<i>Real estate market</i> ¹	2001	2002	2003	<i>1-mo. % change</i>			<i>12-mo. % change</i>		
				July'04	June'04	July'04	July'02	July'03	July'04
Residential housing price index ²	151.8	158.9	177.7	202.6	1.1	1.3	3.7	13.4	11.3
Apartment housing price index ³	156.0	161.1	180.7	202.7	1.4	0.5	3.4	14.3	10.0
New housing loans at market prices (b.kr.) ⁴	28.6	32.2	49.6	...	36.1	...	5.2	31.6	...
Number of Housing Fin. Fund loan applications ⁵	2,846	2,535	3,271	218	28.1	-4.5	-21.1	28.1	44.4
<i>Fish quota prices (period averages. kr./kilo)</i>									
Price of long-term cod quota (kr./kilo)	709	930	1,223	1,080	-	-	42.9	20.0	-10.0
Price of short-term cod quota (kr./kilo).....	117	156	132	120	-4.2	4.3	29.2	-19.4	-4.0
<i>Equity market</i>									
<i>Equity prices, Dec. 31, 1997 = 1,000</i>	<i>At end of year</i>			<i>August 31,</i>		<i>% change to August 31, 2004</i>			
	2000	2001	2002	2003	2004	1-mo.	3-mo.	6-mo.	12-mo.
ICEX-15	1,305.9	1,159.0	1,352.0	2,114.3	3,390.2	8.9	27.2	29.0	92.6
ICEX-MAIN (The Main List index).....	1,303.3	1,180.8	1,436.2	2,075.2	3,180.4	8.3	23.5	25.3	80.0
<i>ICEX industry indices Dec. 31, 1997 = 100</i>									
Fisheries	74.5	86.7	107.3	100.0	111.0	1.9	2.5	5.8	12.3
Finance and insurance.....	163.4	157.9	164.3	252.4	457.4	10.6	33.1	40.9	112.2
Transport	117.6	80.5	118.8	139.4	232.6	7.2	24.1	25.4	79.3
Industry and manufacturing.....	156.3	120.3	142.8	172.8	264.1	2.6	22.0	32.5	65.9

1. Changes are based on 3-month moving averages. 2. Greater Reykjavik Area (GRA). January 1994=100. 3. GRA. January 1996=100. 4. Percentage changes are price-adjusted using the price index for residential housing in the GRA. 5. Housing Financing Fund applications for new housing and renovation.

Sources: The Land Registry of Iceland, Federation of Icelandic Fishing Vessel Owners, Housing Financing Fund, The Icelandic Quota Exchange, Iceland Stock Exchange (ICEX), Central Bank of Iceland.

Table 17 Households and firms: assets and debt

<i>B.kr. unless otherwise stated</i>	1996	1997	1998	1999	2000	2001	<i>Preliminary</i>		<i>% change</i> 2002-2003
							2002	2003	
Household assets in resident. housing and cars ¹	648.8	676.0	724.1	842.6	953.2	1,043.9	1,108.3	1,235.8	11.5
Assets in pension funds.....	302.0	345.6	398.2	507.3	557.3	640.1	664.6	786.0	18.3
Household debt with the credit system ²	350.7	386.2	442.6	510.6	613.8	710.4	758.6	776.0	15.3
Household debt as % of disposable income ²	133.4	134.7	146.1	157.3	165.4	176.8	182.4	178.5	.
Firms' debt with the credit system ²	359.2	420.7	509.4	668.8	813.3	962.3	978.9	1,185.6	21.1
Debt of firms in fisheries sector.....	116.1	123.5	139.7	160.3	165.2	195.5	191.9	185.5	-3.3

1. National Economic Institute national wealth estimates. 2. Due to reclassification of lending within the credit system, household debt is 50.3 b.kr lower than would otherwise have been the case at the end of 2003 and corporate debt 27.9 b.kr. lower, compared with the former classification. Year-on-year changes are based on the former classification. Sources: National Economic Institute and Central Bank of Iceland.

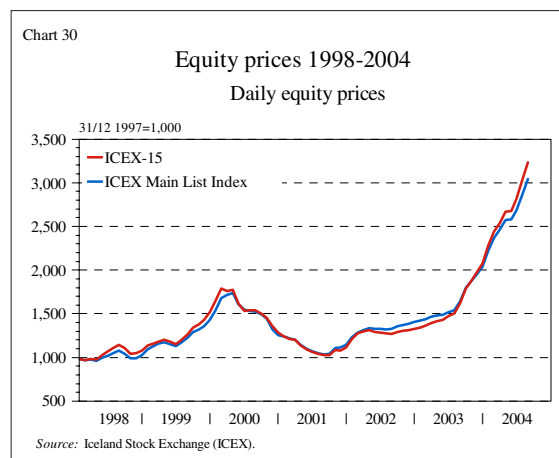
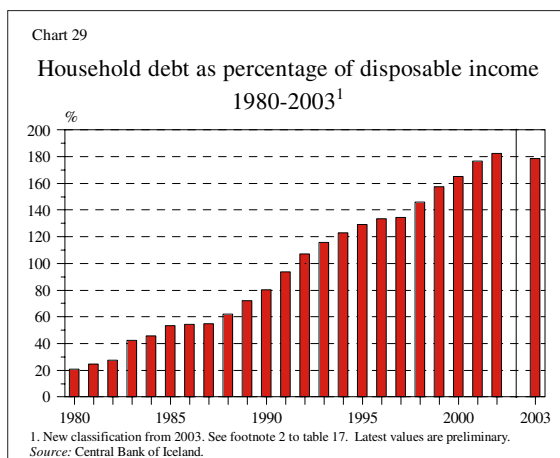


Table 18 Icelandic firms' financial accounts

<i>Accounts of publicly listed firms¹</i>	<i>Jan.-Dec.</i>		<i>% of turnover</i>		<i>Jan.-June</i>		<i>Change</i>	<i>% of turnover</i>	
	<i>2002</i>	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2003</i>	<i>2004</i>		<i>'03-'04</i>	<i>2003</i>	2004
<i>All amounts in b.kr</i>									
Profit before financial exp. & depreciation.....	33.4	34.8	11.6	10.9	18.2	23.9	5.7	12.5	13.8
Fisheries.....	10.8	8.4	23.6	21.1	4.9	5.7	0.8	22.5	22.9
Transport.....	2.6	3.2	10.6	10.8	0.6	1.9	1.3	5.2	9.2
IT industry.....	8.1	9.8	22.7	23.7	4.5	5.8	1.3	22.7	23.6
Industry and manufacturing.....	8.7	9.9	13.4	11.2	6.4	8.8	2.4	17.4	19.1
Profit after taxes.....	16.7	16.1	6.5	5.1	8.6	9.2	0.6	5.9	5.3
Fisheries.....	8.7	3.5	19.0	8.8	2.9	1.9	-1.0	13.2	7.4
Transport.....	2.3	4.4	9.6	14.6	0.1	0.3	0.2	1.1	2.2
IT industry.....	1.2	1.6	3.5	3.8	0.7	2.3	1.6	3.5	9.2
Industry and manufacturing.....	5.3	5.8	8.1	6.6	4.3	4.6	0.3	11.6	10.0
Equity ratio.....	37.0	35.5	.	.	33.4	32.2	.	.	.
Return on equity.....	13.0	15.5	.	.	11.2	13.1	.	.	.
Sample size at end of period.....	24	24	.	.	31	31	.	.	.
 <i>Accounts of commercial banks and savings banks²</i>					<i>% change</i>			<i>Jan.-June</i>	<i>% change</i>
<i>All amounts in b.kr.</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>'02-'03</i>	<i>2003</i>	<i>2004</i>	<i>'03-'04</i>	
Net interest income.....	21.1	29.4	29.6	36.0	21.6	16.6	22.2	33.7	
Other operating income.....	13.4	10.3	27.9	45.6	63.5	19.6	40.8	108.1	
Net operating income.....	34.6	39.6	57.5	81.6	41.9	36.2	63.0	74.0	
Operating expenses.....	22.7	25.4	34.1	44.9	31.5	20.9	27.0	29.2	
Provisions for bad and doubtful debts.....	4.0	7.4	9.3	13.2	41.9	5.9	6.7	13.0	
Value adjustments.....	1.7	-	-	-	-	-	-	-	
Taxes.....	1.9	-0.1	1.2	2.9	144.1	1.6	4.3	165.9	
Profit.....	4.4	6.9	12.5	18.6	48.4	7.7	21.3	176.5	
Total assets at end of period.....	789.7	941.0	1,161.1	1,597.3	37.6	1,345.3	1,886.3	40.2	
Stockholders' equity at end of period.....	49.1	60.8	84.5	113.5	34.4	86.2	133.2	54.5	
 <i>% at end of period</i>									
Return on equity.....	9.8	13.9	18.5	22.5	.	19.9	41.5	.	
Cost ratio ³	65.6	64.0	59.4	55.0	.	57.8	42.9	.	
Capital ratio.....	9.7	11.3	12.2	12.3	.	10.9	13.1	.	
Capital ratio excluding subordinated loans.....	6.6	8.0	9.1	9.2	.	8.1	9.0	.	

1. Companies listed on Iceland Stock Exchange (ICEX), excluding the finance and insurance sector. Paired comparison. 2. The sample includes the largest commercial banks (three) and the six largest savings banks. 3. Operating expenses as a percentage of net operating income.

Sources: Financial Supervisory Authority (FME), Central Bank of Iceland.

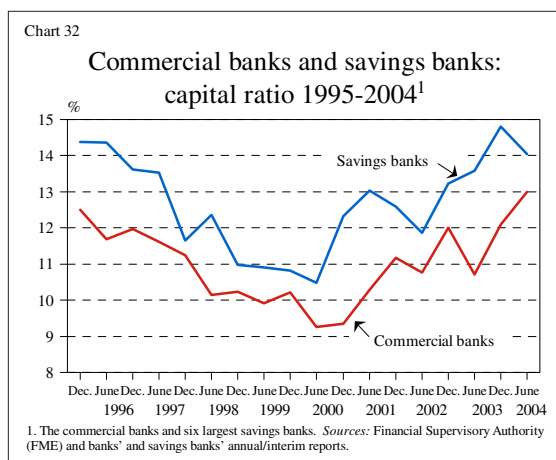
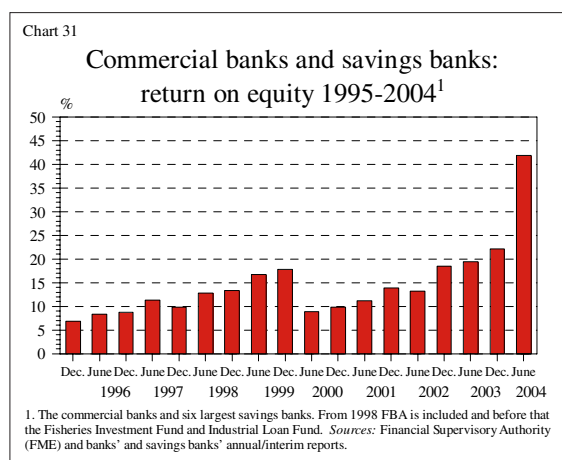


Table 19 International comparison

Based on latest monthly data for each region:	EU-25	EMU-12	USA	UK	Japan	Sweden	Norway	Finland	Denmark	Iceland
Inflation in previous 12 months.....	2.3	2.3	3.0	3.0	-0.1	0.6	-0.1	-0.1	-0.4	3.7
Unemployment ¹	9.0	9.0	5.4	4.8	4.9	5.7	4.5	9.0	6.2	3.3
Economic growth ²	2.2	2.0	2.8	3.7	4.5	3.3	2.9	2.5	2.5	4.9
Long-term interest rates (nominal yield) ³....	.	3.5	3.5	5.0	0.7	4.0	3.6	3.4	3.7	7.7
Long-term interest rates (real yield) ^{3,4}.....	.	.	0.9	1.9	.	1.8	.	.	.	3.7
Short-term interest rates ⁵.....	.	2.0	1.6	4.9	0.0	2.0	1.9	2.1	2.0	6.5
<i>In 2003 (unless otherwise stated):</i>										
GDP per capita based on PPP, in thous. US\$ ⁶	.	25.6	36.1	27.9	26.9	27.3	35.5	26.5	29.2	28.4
Gross saving, % of GDP ⁷.....	.	.	14.6	14.7	25.7	21.6	30.8	24.2	22.7	15.8
Gen. government fin. balance, % of GDP.....	.	-2.7	-4.8	-3.2	-8.0	0.5	9.0	2.1	1.2	-1.4
Gen. government gross debt, % of GDP.....	.	76.2	62.8	51.6	157.3	61.5	34.4	51.6	50.1	41.3
Gen. government expenditure, % of GDP.....	.	49.0	35.7	42.6	37.7	58.2	48.4	50.6	56.1	47.9
Current account balance, % of GDP.....	.	0.4	-4.9	-1.7	3.1	6.3	13.0	5.7	3.0	-5.6

1. Seasonally adjusted. 2. Annual GDP growth based on latest quarterly figures. Seasonally adjusted except for Iceland. 3. Five-year Treasury bonds. 4. Figures are omitted where price indexation is not applied. 5. Three-month money market rates. 6. 2002. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 7. 2002 for Japan. Sources: EcoWin, Eurostat, OECD.

Table 20 International economic developments

	1997	1998	1999	2000	2001	2002	Prelim. 2003	Forecast	
								2004	2005
<i>Annual economic growth (%)¹</i>									
World.....	4.2	2.8	3.7	4.7	2.4	3.0	3.9	4.6	4.4
Euro area.....	2.3	2.9	2.8	3.5	1.6	0.9	0.4	1.8	2.1
United Kingdom.....	3.3	3.1	2.8	3.8	2.1	1.7	2.3	3.3	2.6
United States.....	4.5	4.2	4.4	3.7	0.5	2.2	3.1	4.4	3.6
Japan.....	1.8	-1.2	0.2	2.8	0.4	-0.3	2.7	4.3	1.9
Other emerging markets and developing countries ²	5.3	3.0	4.0	5.9	4.1	4.6	6.1	6.0	5.9
<i>Annual growth in world trade (%)</i>	10.4	4.4	5.9	12.5	0.1	3.1	4.5	6.8	6.6
<i>Consumer price inflation (%)</i>									
Euro area.....	1.6	1.1	1.1	2.0	2.4	2.3	2.1	2.1	1.8
United Kingdom.....	1.8	1.6	1.4	0.8	1.2	1.3	1.4	1.5	1.8
United States.....	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.7	2.4
Japan.....	1.7	0.6	-0.3	-0.9	-0.8	-0.9	-0.2	-0.1	0.0
<i>Unemployment, % of labour force</i>									
Euro area.....	10.8	10.2	9.4	8.5	8.0	8.4	8.8	8.9	8.7
United Kingdom.....	7.1	6.3	6.0	5.5	5.1	5.2	5.0	2.8	2.7
United States.....	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.5	5.3
Japan.....	3.4	4.1	4.7	4.7	5.0	5.4	5.3	4.8	4.6
<i>Gen. government fin. balance, % of GDP³</i>									
Euro area.....	-2.6	-2.3	-1.3	0.1	-1.7	-2.3	-2.7	-2.8	-2.7
United Kingdom.....	-2.2	0.1	1.1	3.9	0.7	-1.6	-3.2	-2.9	-2.9
United States.....	-0.8	0.4	0.9	1.6	-0.2	-3.3	-4.8	-4.7	-3.9
Japan.....	-3.8	-5.5	-7.2	-7.5	-6.1	-7.9	-8.0	-7.1	-6.6
<i>Long-term interest rates⁴</i>									
Euro area.....	5.9	4.7	4.6	5.4	5.0	4.9	4.1	4.1	4.7
United Kingdom.....	7.1	5.5	5.1	5.3	4.9	4.9	4.5	5.1	5.6
United States.....	6.4	5.3	5.6	6.0	5.0	4.6	4.0	4.5	5.3
Japan.....	2.4	1.5	1.7	1.7	1.3	1.3	1.1	1.4	1.7

1. Real GDP percent change between years. 2. In May 2004, the IMF revised its world economic classifications into two categories of countries. The category 'Other emerging market and developing countries' comprises 146 countries. 3. General government, e.g. central government, local governments and social security transactions. 4. Yields on ten-year Treasury bonds. Sources: Consensus Forecasts, International Monetary Fund, OECD.

Table 21 Historical economic indicators (continued on next page)

	Consumer prices ¹		Króna effective exchange rate ²		Interest rates (%)			Money and credit				Ratio of gr. reserves to merch. imports ⁶	External debt, % of GDP ⁷	Growth of real GDP(%)	
	Consumer price index	inflation (%)	CPI	Nominal exchange rate ³	Relative exchange rate ⁴		Gov. bonds average yield ⁵	Banks' secured lending (real yield)		M3 lending	DMBs' lending				Credit system lending
					Real	Relative		Non-ind.	Indexed						
1975	1.4	49.4	7.5	92.4	96.9	3.9	-15.7	.	29.0	32.1	46.4	1.3	42.8	0.7	
1976	1.8	32.4	8.5	103.3	106.4	5.8	-7.4	.	32.5	26.8	32.2	2.2	40.7	6.0	
1977	2.4	30.3	9.7	113.1	114.2	3.5	-9.5	.	43.9	40.5	41.8	2.0	37.6	8.8	
1978	3.5	44.0	13.9	105.3	106.6	3.3	-13.4	.	48.7	47.3	62.8	2.6	39.2	5.9	
1979	5.0	44.5	18.7	100.0	100.7	3.5	-15.4	.	55.9	58.1	46.4	2.5	39.7	4.9	
1980	8.1	61.8	25.9	100.0	100.0	3.5	-8.3	2.3	65.4	66.4	71.1	2.4	35.9	5.7	
1981	12.2	50.8	34.7	104.4	106.3	3.2	-1.7	2.5	70.5	72.2	54.1	3.0	36.5	4.3	
1982	18.4	51.0	54.5	95.8	102.2	3.5	-9.4	2.9	58.0	92.0	100.2	2.1	46.4	2.1	
1983	33.9	84.2	100.0	90.3	84.3	3.8	-14.2	3.0	78.7	85.6	82.9	2.5	57.2	-2.2	
1984	43.7	29.2	116.3	94.7	83.4	7.0	3.4	5.5	33.4	43.0	40.2	2.1	60.2	4.1	
1985	57.9	32.4	148.7	93.2	84.5	6.9	-2.3	5.0	47.6	29.7	35.2	2.8	63.6	3.3	
1986	70.2	21.3	171.0	95.0	86.4	8.5	4.3	5.2	35.0	19.1	20.1	3.6	56.5	6.2	
1987	83.4	18.8	177.3	104.1	109.0	8.7	4.7	7.7	35.2	42.1	31.4	2.4	49.4	8.6	
1988	104.6	25.4	202.6	109.4	113.4	8.7	11.8	9.2	24.0	37.2	34.0	2.4	51.3	-0.1	
1989	126.7	21.1	254.7	100.6	98.1	7.4	6.5	7.8	27.2	25.2	33.8	3.0	56.8	0.3	
1990	145.5	14.8	283.7	97.3	87.4	7.0	9.3	8.0	14.9	11.0	12.5	3.3	55.2	1.1	
1991	155.4	6.8	283.6	99.9	89.6	8.1	10.0	9.2	14.4	11.6	15.4	3.2	56.0	0.1	
1992	161.2	3.7	285.0	99.8	92.5	7.4	11.8	9.3	3.8	5.3	11.8	4.0	58.8	-3.3	
1993	167.8	4.1	308.8	94.4	84.3	6.7	11.5	9.1	6.5	5.0	11.1	4.3	66.7	0.8	
1994	170.3	1.5	324.8	89.3	77.6	5.0	9.5	7.9	2.3	-1.3	4.5	2.6	63.4	4.0	
1995	173.2	1.7	322.3	89.4	81.0	5.6	10.1	8.7	2.2	0.0	5.9	2.4	63.4	0.1	
1996	177.1	2.3	322.9	89.7	81.9	5.5	10.5	8.9	6.8	11.8	9.3	3.0	62.9	5.2	
1997	180.3	1.8	318.7	90.5	84.5	5.3	11.1	9.0	8.7	16.8	11.8	2.6	64.8	4.7	
1998	183.3	1.7	313.6	91.9	88.0	4.7	11.8	8.8	15.2	25.6	15.1	2.2	70.0	5.5	
1999	189.6	3.4	313.1	93.6	89.5	4.4	8.0	8.6	16.9	22.8	17.3	2.6	82.5	4.2	
2000	199.1	5.0	313.3	96.2	90.8	5.1	12.7	9.5	11.2	26.2	17.3	2.1	102.6	5.7	
2001	212.4	6.7	376.3	83.6	79.2	5.1	9.3	10.2	14.9	13.4	19.2	2.1	120.3	2.2	
2002	222.6	4.8	365.2	88.4	83.9	5.2	13.1	10.1	15.3	2.0	3.2	2.5	123.9	-0.5	
2003	227.3	2.1	343.3	93.8	87.9	4.4	9.0	9.1	23.5	16.5	11.0	3.6	144.5	4.3	

1. Annual averages (May 1988=100) and changes between years. 2. Annual averages. Exchange rate of the króna against a trade-weighted average of foreign currencies. 3. 1983=100. 4. 1980=100. ULC= unit labour cost. 5. Annual average yield of indexed Treasury bonds of all maturities. Yields on Iceland Stock Exchange from 1987. Before that, primary market yields. 6. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 7. Gross debt. Direct investment capital excluded.

Table 21 (continued) Historical economic indicators

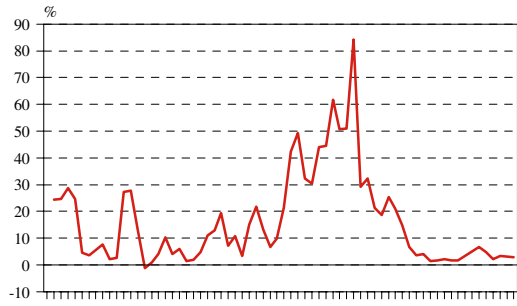
	Components of GDP				External trade (% change from prev. year)				Gen. government (% of GDP) ⁸				Labour market (% of labour force)		Wages (% change from previous year)			
	(% change from previous year)		Goods & services (volume changes)		Terms of trade (% of GDP)		Curr. acc. balance (% of GDP)		Financial balance		Revenues		Expenditures		Unem- ployment	Labour particip.	Real wages ⁹	Real disposable income
	Private consumption	Gross fixed cap. formation	National expenditure	Exports	Imports	of	balance	Gen. government	Revenues	Expen- ditures	Unem- ployment	Labour particip.	Real wages ⁹	Real disposable income				
1975.....	-9.6	-8.8	-5.5	2.6	-12.8	-11.1	-10.2	-2.7	33.0	35.7	0.5	72.2	.	-15.1				
1976.....	5.4	-2.7	-3.5	13.1	-3.6	7.8	-1.5	1.1	32.1	31.1	0.5	73.4	.	2.3				
1977.....	12.9	11.5	15.0	8.9	20.6	7.0	-2.3	-0.2	30.5	30.7	0.3	72.5	.	15.5				
1978.....	9.0	-5.8	2.1	15.2	3.7	0.3	1.2	0.1	31.0	30.9	0.3	73.6	.	8.5				
1979.....	2.8	-1.5	3.5	6.3	2.5	-8.6	-0.7	0.9	32.4	31.4	0.4	73.0	.	2.0				
1980.....	3.4	13.5	5.7	2.7	3.0	-2.8	-1.9	1.3	33.8	32.5	0.3	74.1	.	1.1				
1981.....	6.2	1.2	5.6	3.2	7.1	-0.5	-4.0	1.3	34.9	33.6	0.4	76.8	0.7	5.5				
1982.....	5.0	0.1	5.0	-8.9	-0.6	-0.8	-7.9	1.7	36.0	34.3	0.8	77.6	1.7	2.2				
1983.....	-5.6	-12.7	-8.6	11.0	-9.7	-1.3	-1.9	-2.0	34.0	36.1	1.0	77.4	-16.7	-12.5				
1984.....	3.7	9.4	6.4	2.4	9.2	0.6	-4.6	2.2	35.4	33.1	1.3	77.6	-3.1	-2.5				
1985.....	4.2	1.0	2.7	11.1	9.4	-0.9	-3.9	-1.7	34.0	35.7	0.9	79.3	1.2	10.8				
1986.....	6.9	-1.9	4.5	5.9	0.9	5.4	0.5	-4.0	33.7	37.8	0.7	80.9	5.7	9.5				
1987.....	16.2	19.1	15.7	3.3	23.3	4.3	-3.4	-0.9	33.9	34.7	0.4	84.1	9.0	25.8				
1988.....	-3.8	-0.1	-0.6	-3.6	-4.6	-0.8	-3.5	-2.0	37.4	39.5	0.6	80.1	2.2	-2.7				
1989.....	-4.2	-7.8	-4.4	2.9	-10.3	-3.9	-1.3	-4.6	37.5	42.0	1.6	78.7	-9.1	-9.4				
1990.....	0.5	2.6	1.5	0.0	1.0	-2.0	-2.1	-3.3	38.2	41.4	1.8	77.5	-4.9	-4.6				
1991.....	2.9	3.3	3.8	-5.9	5.3	3.5	-4.0	-2.9	39.8	42.7	1.5	76.2	1.4	2.1				
1992.....	-3.1	-11.1	-4.5	-2.0	-6.0	-0.6	-2.4	-2.8	40.9	43.7	3.0	75.5	-0.8	-1.9				
1993.....	-4.6	-10.7	-3.8	6.5	-7.8	-3.9	0.7	-4.5	39.1	43.5	4.4	75.3	-2.6	-7.6				
1994.....	2.8	0.5	2.1	9.5	4.1	0.4	1.9	-4.7	38.7	43.4	4.8	75.4	-0.3	0.0				
1995.....	2.2	-1.1	2.3	-2.2	3.9	1.3	0.7	-3.0	39.7	42.7	5.0	75.7	2.8	3.8				
1996.....	5.4	25.6	7.1	9.8	16.5	-3.1	-1.8	-1.6	40.6	42.2	4.3	76.4	4.0	4.1				
1997.....	5.0	10.0	5.5	5.3	7.7	2.1	-1.8	0.0	41.5	41.5	3.9	76.6	3.6	2.5				
1998.....	9.9	32.9	13.4	2.1	23.5	5.6	-6.9	0.5	42.7	42.2	2.8	77.1	7.6	8.7				
1999.....	7.3	-3.0	4.2	4.0	4.2	-0.8	-7.0	2.4	45.7	43.3	1.9	77.3	3.3	3.0				
2000.....	4.0	14.8	6.8	5.0	8.0	-2.7	-10.1	2.5	45.4	42.9	1.3	77.3	1.6	1.3				
2001.....	-3.8	-7.6	-4.2	7.7	-9.0	0.3	-4.0	0.2	44.1	44.0	1.4	77.5	2.0	1.6				
2002.....	-1.1	-15.1	-2.9	3.6	-2.5	0.5	1.1	-0.4	45.2	45.6	2.5	77.3	2.2	-0.1				
2003.....	6.7	17.7	8.0	0.3	9.6	-4.2	-4.1	-1.6	46.0	47.7	3.4	77.0	3.4	2.8				

8. Central and local governments and the social security system. 9. Deflated by consumer prices.

Sources: Directorate of Labour, Iceland Stock Exchange, Ministry of Finance, Statistics Iceland, Central Bank of Iceland.

Chart 33

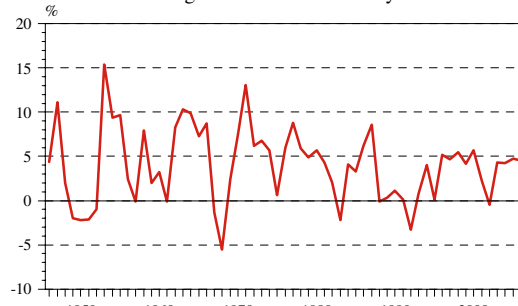
Consumer price inflation 1939-2006
% change between annual averages



Central Bank forecast for 2004-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 34

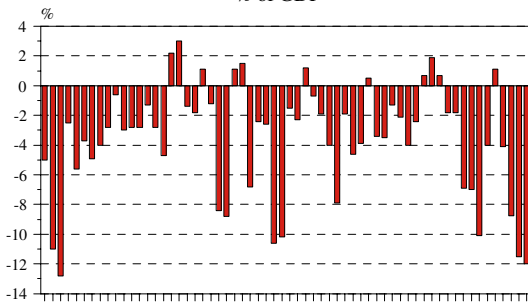
Economic growth 1945-2006
% change in real GDP between years



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 35

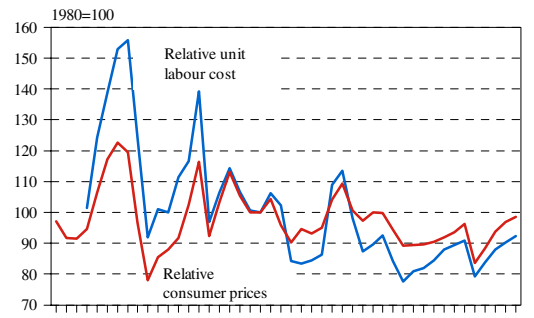
Current account balance 1945-2006
% of GDP



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 36

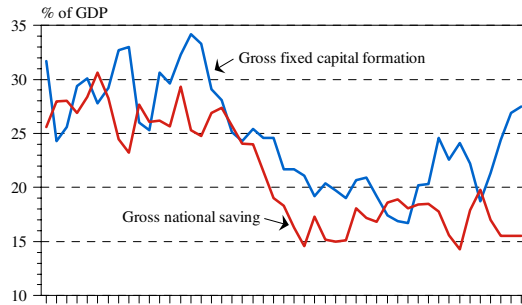
Real effective exchange rate of the Icelandic króna 1960-2005



Preliminary/forecast 2003-2005. Source: Central Bank of Iceland.

Chart 37

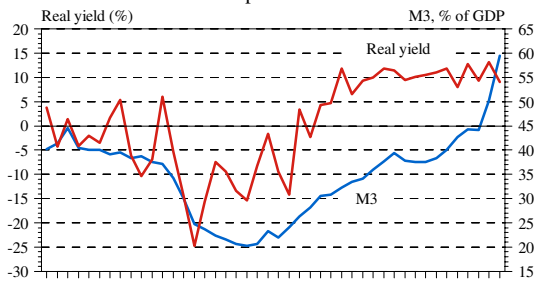
Gross national saving and fixed capital formation 1960-2006
% of GDP



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 38

Real yield and broad money 1960-2003
Real yield on non-indexed bank loans and M3 as percent of GDP



Latest data are preliminary. Source: Central Bank of Iceland.

Table 22 Structural indicators for the Icelandic economy

<i>I. Population and labour force (thous.)</i>		1970	2003	<i>IV. National income and expenditure</i>		1970	2003 ¹
Population at end of year.....		204.8	290.6	Gross domestic product (GDP), b.kr.....		0.4	810.8
under 16 years of age.....		70.6	70.4	GDP, billion US\$.....		0.5	10.6
16-74 years of age.....		127.3	204.3	National income per capita, thous. US\$.....		2.0	36.2
above 74 years of age.....		7.0	15.8	GDP per capita, thous. US\$, PPP-converted ²		2.7	29.4
Average popul. growth in prev. 5 years (%)		1.1	1.1	Gross capital formation, % of GDP.....		25.3	21.3
Labour force (thous. man-years).....		82.7	146.4	Gross national saving, % of GDP.....		26.1	17.0
Males.....		54.7	84.1	Net national saving, % of net national product		13.8	5.2
Females.....		28.0	62.3	Exports of goods and services, % of GDP.....		46.4	35.5
<i>II. Employment by industry (%)</i>		1970	2001	Public consumption, % of GDP.....		12.7	26.3
Agriculture.....		12.4	3.3	Gen. government total expend., % of GDP ³ ...		28.9	47.7
Fisheries.....		6.6	3.9	Total taxes, % of GDP ³		28.9	39.0
Fish processing.....		7.8	5.1	<i>V. Capital and indebtedness</i>		1970	2003 ¹
Manufacturing industry.....		15.2	12.1	<i>% of GDP unless otherwise stated</i>			
Construction, electricity and water.....		11.3	10.3	Fixed assets, % of GDP.....		3.4	3.4
Wholesale & retail trade, restaur. & hotels....		13.5	16.7	Fixed assets, billion USD.....		1.8	37.2
Transport, storage and communication.....		8.4	6.7	Net external debt.....		20.1	102.6
Finance, insurance, real estate, business serv.		4.0	9.5	Debt service, % of export revenue.....		11.3	61.6
Producers of government services.....		12.4	18.9	General government total debt.....		13.0	40.1
Other services.....		8.3	13.4	General government net debt.....		-2.3	20.0
<i>III. Merchandise exports</i>		1970	2003	Broad money (M3).....		37.5	59.8
<i>By category (%):</i>				Credit system total lending.....		484.8	269.6
Marine products.....		77.1	62.3	to industries.....		53.6	141.9
Manufactures.....		18.4	33.9	to households.....		21.2	95.1
thereof aluminium and ferro-silicon.....		13.2	22.1	Market capitalisation of listed equities.....		.	81.3
Agricultural products.....		3.4	1.9				
<i>By regions (%):</i>							
United States.....		30.0	9.3				
European Union.....		52.8	72.1				
Other.....		17.2	18.7				

1. Preliminary data. 2. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 3. National accounts basis.

Sources: Iceland Stock Exchange, National Economic Institute, OECD, Statistics Iceland, Central Bank of Iceland.

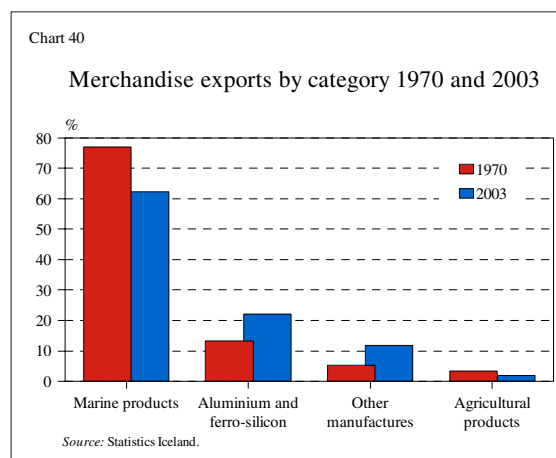
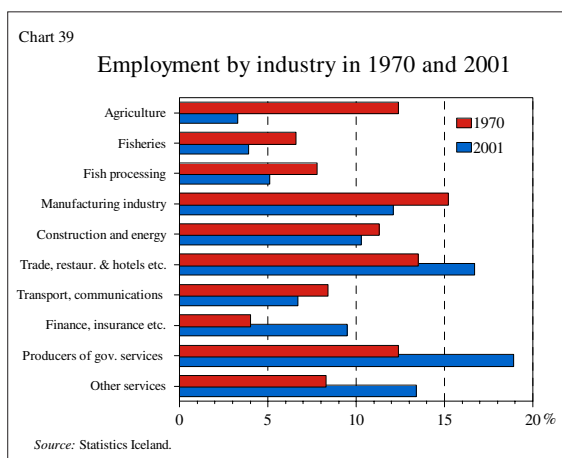


Table 23 Merchandise exports and imports by regions¹

	Share of total (%)						In b.kr.	
	1970	1980	1990	2000	2003	Jan.-July 2004	2003	Jan.-July 2004
<i>Merchandise exports, fob</i>								
European Union	52.8	52.3	70.7	67.4	72.1	74.4	131.6	86.0
Euro area	25.4	30.2	37.6	42.3	48.2	48.7	87.9	56.2
Other EU countries	27.4	22.0	33.1	25.1	23.9	25.8	43.7	29.8
United Kingdom	13.2	16.5	25.3	19.3	17.5	18.3	32.0	21.2
Other Western European countries	2.8	2.3	3.4	7.8	7.8	5.5	14.3	6.3
Eastern Europe and former Soviet Union.....	9.6	8.8	2.9	1.4	2.6	3.2	4.8	3.7
Russia	6.8	5.4	2.5	0.4	0.6	1.0	1.0	1.1
United States	30.0	21.6	9.9	12.2	9.3	9.5	16.9	11.0
Japan.....	0.1	1.5	6.0	5.2	3.2	3.6	5.9	4.2
Other OECD countries.....	0.5	0.6	0.5	2.0	0.3	1.4	0.6	1.6
Developing countries	4.2	12.9	5.5	3.0	3.9	1.5	7.2	1.7
Other countries.....	0.0	0.0	1.1	1.0	0.8	0.9	1.4	1.0
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	182.6	115.6
<i>Merchandise imports, cif</i>								
European Union	64.9	58.0	59.9	57.0	56.9	60.6	123.2	89.3
Euro area	32.0	33.2	35.5	33.5	34.9	34.3	75.6	50.5
Other EU countries	33.0	24.8	24.4	23.6	22.0	26.4	47.6	38.8
United Kingdom	14.3	9.5	8.1	9.0	7.4	7.1	16.1	10.5
Other Western European countries	5.4	8.1	5.2	9.7	8.7	11.0	18.9	16.2
Eastern Europe and former Soviet Union.....	10.4	10.9	6.5	5.7	10.4	8.2	22.6	12.0
Russia	7.2	9.7	5.0	1.8	2.8	1.1	6.1	1.7
United States	8.2	9.4	14.4	11.0	7.4	11.1	16.1	16.4
Japan.....	2.9	4.0	5.6	4.9	3.8	4.0	8.3	5.9
Other OECD countries.....	0.4	5.8	3.7	4.5	2.3	2.8	4.9	4.1
Developing countries	7.2	2.7	3.1	5.6	9.0	1.1	19.6	1.6
Other countries.....	0.6	1.1	1.4	1.5	1.4	1.2	3.0	1.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	216.5	147.3

1. In data prior to the year 2000, country groups are based on the year 2000.

Source: Statistics Iceland.

